



LIVING WITH DEMENTIA UP CLOSE

WHAT FAMILIES CAN DO NOW TO PROTECT DIGNITY, FINANCES AND PEACE OF MIND

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BY WEALTH ADVISER

Introduction: why close-up dementia changes the conversation

Dementia feels very different up close than it does in abstract statistics or policy papers. For Ashley Owen, the shift from theory to reality came when his mother, who had been sharp enough to complete a PhD at 90 and was still certified mentally competent at 94, slid rapidly into vascular dementia, entering her first permanent dementia facility at 95 and dying at 97 after a final stroke.

His account of those years - moving through four different facilities, negotiating emergency hospital transfers, signing restraint consents and watching his mother lose not only memory and independence but also any meaningful control - gives Australian families a rare, candid view into what dementia care can look like day to day. It also underlines a core

BEFORE YOU GET STARTED

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message: the earlier families think about care options, legal decisions and funding, the more scope they have to protect dignity and peace of mind for everyone involved.

Inside the reality of dementia care

Owen describes his mother's decline as both fast and, in hindsight, foreshadowed. What the family initially dismissed as "forgetfulness" - misplacing items, minor confusion - evolved into missed meals and significant weight loss, getting lost near home, writing blank cheques and forgetting how to use the lift she had taken every day for 20 years. Eventually, despite extensive use of in-home services, it became clear she could not safely live alone, especially after repeated falls and fractures at night that required hospital treatment.

Moving into permanent care did not resolve her struggle for control. A fiercely independent personality who hated the idea of not being able to "just walk out the door and go home," she spent much of her first year in facilities plotting and attempting escape - sometimes successfully, slipping out through fire exits and loading docks until found wandering lost in nearby streets. Many families recognise this pattern: even when dementia has clearly impaired judgement, the person's sense of self as an autonomous adult remains strong, making transitions into care both necessary and traumatic.

Life inside dementia facilities is confronting. In the final home, which specialised in advanced dementia with aggression, Owen describes a colourful environment full of large pictures of birds and flowers, daily activities like music, painting, balloon games and even petting zoos - "a cross between a madhouse and a kindergarten." Yet beneath the surface, there was constant noise: residents shouting in multiple languages, using walkers as battering rams, or repeatedly knocking furniture against walls. Carers and families lived with an almost continuous background of distress and agitation, punctuated by brief calm periods that could end abruptly without obvious trigger.

Perhaps most striking is how dementia reshaped his mother's communication. In the last 12-18 months she could no longer hold sustained conversations, instead alternating between long blank stares and apparently random sentences that, on closer listening, often hinted at unmet needs: "There wasn't any bacon at the beach today" probably meant hunger; "I was stuck in a tunnel underground for months" seemed to express feeling trapped and lost. Health information for carers increasingly encourages this kind of interpretive listening, inviting families to look past literal words and ask what emotion or need the person might be trying to express with the linguistic tools they still have.

Owen's story also illustrates how dementia erodes the concept of personal possessions. Early attempts to

personalise his mother's room with photos and familiar items failed as she stopped recognising them - and as residents routinely wandered into each other's rooms, took handbags, walkers and clothing at random, and sometimes used items as projectiles. Despite meticulous labelling, clothes cycled between wardrobes, and arguments broke out over items that in truth belonged to neither person. For families, this can be shocking; understanding that the priority has shifted from preserving "things" to preserving comfort and safety helps reframe expectations.

Finding the right care - and the right people

A major lesson in Owen's account is that not all aged care homes are the same, and that "dementia care" is not a single category. His mother's quiet yet stubborn temperament, combined with loss of verbal skills, translated into physical aggression: slapping, punching, scratching and throwing objects, which the first three facilities could not manage, leading to formal or informal evictions and repeated hospital stays. Only the fourth facility, designed for residents with advanced dementia and behavioural issues, provided an environment where staff, systems and layout were aligned to her needs.

For families, this suggests approaching facility selection more like matching a complex medical condition to the right specialist ward than choosing a generic "nursing home." Helpful practical tests include walking the corridors at unannounced times to see whether residents are mostly engaged in activities or isolated in rooms, and watching how staff interact when they do not appear to be under direct scrutiny. Owen describes standing for long periods observing staff through a window and never seeing behaviour that changed when they knew he was watching - a powerful indicator of consistent culture rather than staged performance.

He also highlights the importance of staff continuity and personal connection. In the final facility, even kitchen and office staff seemed to know residents and family members by name, pitched in at mealtimes to calm and feed residents, and were visibly moved when his mother died, with several crossing roles to offer condolences and hugs. National dementia policy emphasises workforce capability and compassionate care as key pillars of quality, recognising that staff who understand individual triggers and histories can prevent or de-escalate many crises without reaching immediately for medication or restraints.

Nevertheless, difficult discussions about "restrictive practices" are often unavoidable. Owen recounts being asked to sign a Restraint Consent form authorising, under defined conditions, the use of chemical restraints (medications), mechanical restraints (belts or harnesses), physical holding, environmental restrictions (locked doors, limited access areas) and isolation in secure rooms. Australian

guidance is clear that such measures must be a last resort, proportionate to the risk and regularly reviewed, and ideally considered in the context of an Advance Care Directive and the person's previously expressed values about autonomy, safety and comfort. Families who have had early conversations about these issues often find it easier to weigh up short-term distress versus longer-term harm, rather than making rushed decisions when everyone is exhausted and frightened.

Documents that speak when you no longer can

If there is a single practical thread running through Owen's story, it is that critical documents need to be in place before dementia limits capacity. His mother's insistence that she would "live to 120" and could make decisions "when the time comes" meant she resisted conversations about wills, Enduring Powers of Attorney (EPOA), Enduring Guardianship and Advance Care Directives. By the time dementia advanced and her lawyer was no longer comfortable certifying capacity, the family was left with outdated or incomplete paperwork and no clear, consolidated statement of her wishes.

Australian resources such as Dementia Australia's "Planning ahead" and Better Health Channel's "Dementia - early planning" stress the value of acting while the person can still understand and sign documents. The key instruments typically include:

- A current will, clearly appointing an executor and reflecting contemporary intentions.
- An Enduring Power of Attorney, authorising trusted individuals to manage financial and legal affairs if capacity is lost.
- An appointment of an Enduring Guardian (or equivalent role, depending on state), empowering someone to make decisions about where the person lives, what services they use and certain medical or personal matters.
- An Advance Care Directive, recording preferences about future medical treatment, hospital transfers, life-prolonging interventions and palliative care, and sometimes appointing a medical decision-maker.

Dementia Australia emphasises that these documents are not merely legal formalities but tools that allow people to

"speak" when they can no longer explain what they want. For families, they provide a reference point when disagreements arise or when clinicians propose treatments that may extend life but at the cost of comfort or dignity.

Owen's later reflections show how this experience reshaped his own planning. He updated his Enduring Guardianship, EPOA, Advance Care Directive, will and superannuation instructions, including a binding death nomination and a pre-signed instruction to his SMSF trustees to shift money out of super to reduce the 17% death tax on taxable super paid to non-dependent adult children. He even prepared the information needed for his own death certificate in advance, having discovered how errors made under pressure can delay probate by weeks. For clients of financial advisers, his approach illustrates how estate planning, SMSF governance and aged care planning should be integrated rather than treated as separate check-lists.



Paying for care without losing the bigger picture

Dementia care is not only emotionally demanding; it can be financially intensive over many years. Owen estimates that his mother's permanent aged/dementia care cost around \$120,000-\$150,000 per year out-of-pocket after insurance, roughly half of what 24/7 professional in-home care would have

cost. He notes that, while substantial, these costs were lower than he had anticipated once the mix of accommodation payments, care fees and insurance reimbursements was fully understood, highlighting the importance of detailed, personalised projections rather than relying on rough assumptions.

Under Australia's residential aged care system, costs typically comprise a basic daily fee, a means-tested care fee and accommodation payments, which can be paid as a lump-sum Refundable Accommodation Deposit (RAD), a Daily Accommodation Payment (DAP) or a combination of both. Government examples show how these elements interact with income and assets tests, and how choosing between RAD and DAP affects cashflow, pension entitlements and estate outcomes. Industry analysis indicates that room prices (RADs) have been trending higher, and that policy changes - for example around provider retention of

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a portion of the RAD or adjustments to interest rates used to calculate DAPs - can change the financial calculus for families.

For many Australians, the family home is central to this decision. Selling the home to fund a RAD may simplify the fee structure and reduce DAP, but it can also affect age pension treatment and intergenerational expectations. Retaining the home and paying DAP from income and investments preserves capital but demands reliable cash-flow and may require portfolio changes. Advisers play a key role in modelling these scenarios, including stress-testing them against longevity, investment risk and the potential need to transition between home care and residential care as dementia progresses.

Owen's comparison between residential care and full-time home care also draws attention to hidden costs borne by families: unpaid caregiving, reduced working hours and the emotional strain that can ripple through marriages and future retirement plans. Thoughtful planning considers not only the person with dementia but also the wellbeing and financial resilience of carers, aiming to avoid situations where one generation's crisis care consumes the retirement security of the next.

Using planning to protect dignity and peace of mind

In his closing reflections, Owen contrasts three different deaths he has witnessed up close: his mother's physically pain-free but mentally devastated final years with advanced dementia; his father's mentally sharp but physically agonising death from cancer; and his brother's sudden death in a plane crash. Rather than ranking them, he concludes that none is ideal and that he may not get to choose his own path, but that this uncertainty should sharpen his focus on how to use his remaining time and how to reduce avoidable

burdens for those he leaves behind.

Planning ahead for dementia and aged care - emotionally, legally and financially - is part of that work. It enables conversations about values and preferences while the person can still participate; it gives families a framework to make tough calls about hospital transfers, treatments and care settings; and it gives advisers a clear mandate to align wealth strategies with real-world care goals instead of abstract targets.

For Australian retail clients working with financial advisers, the message is not to assume the worst, but to prepare for the plausible: cognitive decline that may be rapid, care needs that may be complex, and family emotions that will be intense. By using tools such as wills, Enduring Powers of Attorney, Enduring Guardianship, Advance Care Directives and aged care funding strategies in an integrated way, families can ensure that when minds change, money and decisions are still guided by the person they once were - and by the love their family carries for them now.

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FROM WAITING LISTS TO WATER PIPES TURNING AUSTRALIA'S INFRASTRUCTURE SQUEEZE INTO INVESTMENT RESILIENCE



depositphotos.com

BY WEALTH ADVISER

Australia is adding people faster than it is adding critical infrastructure, and that gap has profound implications for both community wellbeing and long-term investors. For Australian households thinking about the next decade, understanding how this pressure translates into risks and opportunities in infrastructure investing can be an important part of building more resilient wealth.

The hidden balance sheet of everyday life

When another million people move into a city like Brisbane, Sydney or Melbourne, the strain is not just felt on housing and traffic; it runs through every part of daily life from emergency departments to school drop-off and rail platforms. Ross Elliot highlights that, at roughly one hospital bed for every 270 Australians, an extra million people imply about 3,703 additional beds and the equivalent of seven and a half large hospitals just to maintain today's level of service.

Those extra beds come at an estimated capital cost of between 1.5 and 2 million dollars each, implying somewhere between 5.5 and 7.5 billion dollars of new investment

in hospital capacity per big city at today's prices. Similar arithmetic applies to schools, where providing around 360 additional government and non-government schools for a million more residents can require tens of billions of dollars and creative approaches to scarce urban land.

Counting the real cost of growth

The numbers do not stop at health and education: keeping an extra million people moving means accommodating around 600,000 additional private cars and about 200,000 extra commercial vehicles, or finding ways to shift that load onto tunnels and rail lines that currently cost around a billion dollars a kilometre to build. On top of that come basic needs such as water, with another 200 million litres a day - equivalent to roughly 30,000 Olympic pools a year - that must be captured, treated and delivered at a time when desalination plants and bulk water networks are capital-intensive and energy-hungry.

Law and order also scale with population: Elliot's back-of-the-envelope calculation suggests another 1,600 to 2,000 prison cells per million people, each costing in the order of 700,000 dollars before ongoing operating expenses, alongside thousands more police, nurses and firefighters

Many experienced investors emphasise diversification within infrastructure itself, balancing assets that benefit directly from population growth, such as toll roads and airports serving cities like Brisbane and Melbourne, with utilities, renewable energy and digital infrastructure that are less cyclical but still exposed to long-term demand.

to staff an enlarged system. Even housing, which should in theory be the simplest asset to deliver, is struggling to keep up, with national targets such as 1.2 million homes over five years described as aspirational in an environment where planning rules, approvals and costs have slowed the supply response markedly compared with two decades ago.

From fiscal burden to investable opportunity

For governments, these figures read like a daunting liability, yet for long-term investors they also describe a pipeline of essential projects that must be financed somehow. Infrastructure managers emphasise that many of these assets – hospitals built under public-private partnerships, toll roads, regulated utilities and digital networks – generate long-duration cash flows backed by regulation, concession agreements or long-term contracts, giving them a distinctive combination of predictability and growth.

Specialist commentators argue that infrastructure thus behaves like a “third way” between shares and bonds, offering equity-like participation in economic growth but with bond-like visibility over revenues and a closer linkage to inflation than many corporate earnings streams. In practice, this means that the same forces stretching hospital waiting lists and congesting motorways can underpin relatively stable earnings for well-run infrastructure assets, particularly where pricing is indexed to consumer prices or nominal GDP, and where demand is reinforced by demographic growth and urbanisation over decades rather than years.

Why infrastructure appeals to long-term investors

In recent years, listed infrastructure has drawn renewed interest because it combines resilience with exposure to powerful structural trends such as energy transition, digitisation and urban growth. Assets like electricity networks, renewable generation, data centres, communication towers and toll roads sit at the intersection of essential services and long-term policy priorities, which can support reinvestment and expansion even when the broader economy is volatile.

Despite these characteristics, allocations to infrastructure in many Australian portfolios remain modest, in part because the domestic universe of listed names has shrunk and in part because some investors still see it solely as a

defensive income play rather than a source of real growth. Global perspectives suggest this may be a missed opportunity, with research highlighting multi-decade funding gaps in transport, energy and social infrastructure worldwide and pointing to a long pipeline of potential projects as governments seek private capital to co-fund everything from clean energy grids to hospitals and schools in growing cities.

Using infrastructure in a diversified portfolio

For retail investors, infrastructure exposure can be accessed through listed funds, unlisted vehicles available via platforms, or diversified products that blend multiple sectors such as transport, utilities, energy and social infrastructure. A common approach is to use infrastructure as a core allocation within the defensive or income part of a portfolio, recognising that while prices can be volatile in the short term, the underlying earnings stream is typically tied to essential services that households and businesses cannot easily forgo.

Many experienced investors emphasise diversification within infrastructure itself, balancing assets that benefit directly from population growth, such as toll roads and airports serving cities like Brisbane and Melbourne, with utilities, renewable energy and digital infrastructure that are less cyclical but still exposed to long-term demand. This diversification can help manage risks highlighted by Elliot’s discussion of regulatory delays, rising construction costs and political debate, because spreads across regions and subsectors mean no single project or policy shift dominates portfolio outcomes.

Navigating risks: politics, permits and prices

None of this is risk-free, and part of being an informed investor is understanding where the vulnerabilities lie. Projects can face cost blowouts, planning obstacles or changes in government policy, especially when public debate becomes heated over issues such as immigration, congestion and housing affordability, as Elliot anticipates when he warns that the conversation could turn febrile once shortages in hospitals, schools and water become impossible to ignore.

Infrastructure securities can also be sensitive to interest-rate moves because the market values long-dated cash

flows using discount rates that shift with bond yields, a dynamic that contributed to recent valuation volatility even as many underlying assets continued to grow earnings and pay dividends steadily. The advantage of using diversified, professionally managed vehicles is that specialist teams can actively manage these financial and regulatory risks across a broad portfolio, rather than relying on a single project or region, and they can use market pullbacks to add positions at more attractive valuations where fundamentals remain sound.

Ethics, society and investing in the squeeze

A natural question for thoughtful readers is whether it is appropriate to profit from infrastructure strains that, at ground level, look like ambulance ramping, classroom overcrowding or water restrictions. One way to frame the issue is to recognise that long-term patient capital is part of the solution, not merely a beneficiary, because private investors share an interest in building durable, well-maintained assets that communities can rely on for decades.

Investors can look beyond narrow return metrics by asking how the infrastructure funds they select engage with environmental, social and governance issues, including

how they treat staff, manage community impacts and work with governments on fair and sustainable user-pays models. For many people, the most satisfying outcome is when strong, inflation-linked income from infrastructure supports their own retirement goals while also helping finance the hospitals, water systems and transport networks that make fast-growing Australian cities more liveable for the next generation.

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BEYOND THE GREENBACK

BUILDING RESILIENT PORTFOLIOS WHEN THE US DOLLAR NO LONGER FEELS BULLETPROOF

BY WEALTH ADVISER

The US dollar still dominates the global financial system, but recent events and long-running trends mean it may no longer be the unquestioned safe haven many Australians grew up with. This article does not tell anyone what they should do with their money; it simply sets out how the landscape is changing so readers can better understand the reality behind the headlines.

How the dollar earned its 'safest currency' label

For decades, the US dollar has been backed by powerful ingredients: very deep financial markets, many of the world's largest companies and government bonds that foreign investors have long regarded as close to risk free. Together, these factors helped the United States attract roughly 4.5 trillion dollars of net capital inflows in just five years, cementing the dollar's status as the main reserve currency and the unit in which much of world trade and debt is denominated.

In past crises, this status tended to reinforce itself. When global sharemarkets stumbled, investors typically moved money into the greenback and US Treasury bonds,

pushing the dollar up and confirming its reputation as a shock absorber. For many Australian savers, holding US-dollar-denominated investments or global funds with large US exposure came to feel like a natural way to seek safety as well as growth.

Why the dollar now looks less bulletproof

The market turbulence of 2025, particularly the Liberation Day sell-off, showed that this pattern is no longer guaranteed. During that episode, gold jumped and several major currencies strengthened against the dollar even as US shares fell, indicating that many investors were looking beyond the greenback for protection rather than automatically running towards it.

Under the surface, several long-running pressures help explain this shift.

- Large budget deficits: The US government has been spending far more than it raises in tax, running deficits of about six per cent of GDP—levels usually associated with recession—despite operating close to full employment. Each year of overspending adds to an already large debt pile.
- A persistent current-account deficit: The country imports

Gold often sits alongside these currencies in discussions of resilience. Commentators who study the monetary system note that when concerns about debt and politics rise, some investors prefer to hold an asset that is no one's liability, and that gold has frequently performed best when real interest rates are low and confidence in major currencies is strained.

more than it exports and relies on continual inflows of foreign capital to fund the gap, with much of that money flowing into government bonds and a narrow group of high-growth technology and AI companies.

- Policy and institutional uncertainty: Analysts have pointed to political pressure on the US Federal Reserve to cut interest rates quickly and to rising tension between branches of government and some traditional allies, developments that can weaken the trust on which a reserve currency depends.

Valuation adds another layer. On several models, the dollar has looked expensive relative to other major currencies for some time, a position easier to justify when US interest rates and economic growth were clearly stronger than elsewhere, but harder to defend as those advantages narrow. If a widely held, relatively expensive currency also faces questions about debt, policy and politics, it is understandable that investors might be more cautious about assuming it is always the safest asset in the room.

For Australians, these issues matter because many international investments are priced in US dollars, from global share funds to US-listed companies. When the exchange rate moves, returns can be significantly higher or lower once converted back into Australian dollars, even if the underlying investment itself has not changed.

Safe havens: what still works and what has changed

The US dollar has traditionally shared “safe haven” status with assets such as the Japanese yen, Swiss franc, gold and high-quality government bonds—things that tend to hold value, or even rise, when riskier markets fall. Recent research, however, suggests that safe-haven behaviour is more conditional than many people assume.

Studies of the 2008 global financial crisis and the COVID-19 shock find that gold behaved as a relatively reliable safe haven in both episodes, while currencies such as the yen and the franc only played that role in some circumstances and could move in the same direction as sharemarkets when domestic conditions or policy choices dominated the story. Educational material for currency traders now

tends to emphasise that safe-haven status depends on the type of shock, starting valuations and investor positioning, rather than being a permanent label.

The Liberation Day experience fits this more nuanced picture. In earlier corrections between 2010 and 2020, trade-weighted measures of the dollar usually climbed when the S&P 500 fell sharply, reinforcing its image as a shock absorber. In 2025, by contrast, gold and some other major currencies shouldered more of that role while the dollar lagged, showing that its protective qualities can fade when worries about US-specific risks are part of the problem. No single asset, not even the dollar, can be relied upon to provide shelter in every kind of storm.

Thinking in baskets rather than single ‘winners’

None of this means the US dollar is about to disappear from the centre of the financial system. It still dominates trade invoicing, global debt markets and central-bank reserve holdings. What is changing is the assumption that it must always be the obvious safe choice.

One way of describing the new reality is to think in terms of baskets rather than champions: resilience coming from a mix of currencies and assets with different strengths and weaknesses, instead of from one “world’s safest currency”. Orbis, for example, points to a group including the Norwegian krone, Australian dollar and Japanese yen as currently offering combinations of stronger external balances, different economic drivers and, in their view, more attractive long-term valuations than the US dollar.

Gold often sits alongside these currencies in discussions of resilience. Commentators who study the monetary system note that when concerns about debt and politics rise, some investors prefer to hold an asset that is no one's liability, and that gold has frequently performed best when real interest rates are low and confidence in major currencies is strained. While gold is volatile and pays no income, its role as a store of value in times of uncertainty is a recurring theme in both historical data and recent market behaviour.

For Australians, the local currency itself is an important part of any such basket. The Australian dollar tends to rise when global growth and commodity demand are strong and

to fall when risk sentiment turns, a pattern sometimes described as “riding the Aussie dollar wave”. This means that unhedged overseas investments can feel like a double-edged sword: in some periods a weaker local dollar boosts returns from foreign assets, while in others a stronger local currency reduces them, even if markets overseas are flat. Recognising this pattern helps explain why international returns can diverge so much from foreign-market headlines.

The central idea is not that any one of these alternatives can or should replace the US dollar, but that together they show how the world is slowly moving away from treating the greenback as the only game in town.

What this changing landscape means for everyday investors

For retail investors in Australia, the most useful response to these shifts is awareness rather than urgency. Understanding that the US dollar’s safe-haven status now comes with visible caveats—large debts, political tensions and a less obvious valuation edge—helps put news about currency swings, interest rates and gold prices into context without implying that there is a single correct strategy.

It is also helpful to recognise that currencies and so-called safe-haven assets do not behave in fixed ways. The fact that gold or the yen protected investors in one crisis does not guarantee they will do so in the next, just as the dollar’s long track record does not guarantee it will always rise when markets fall. Seeing resilience as something that emerges from exposure to different economies, currencies and asset types—rather than from betting on a single “safest” option—is one way of making sense of an increasingly

complex environment.

Above all, appreciating these dynamics can make portfolio ups and downs easier to interpret. When the dollar weakens, Australians with unhedged US investments may see strong headlines about Wall Street but more modest returns after currency effects; when the dollar strengthens, the opposite may be true. Recognising that such outcomes are part of how the system works, rather than signs that something has gone wrong, can help investors stay more grounded as the role of the “world’s safest currency” continues to evolve.

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Q&A: Ask a Question

Question 1:

My partner doesn't work and has very little super. Is there anything I can do to help build their retirement savings?

There are a few strategies that can help boost your partner's super balance, even if they're not earning an income. One option is making a spouse contribution, where you contribute after-tax money directly into your partner's super fund. If your partner's income (including assessable income, reportable fringe benefits, and reportable employer super contributions) is below \$40,000, you may be eligible for a tax offset of up to \$540 when contributing \$3,000 or more. The offset begins to phase out once their income exceeds \$37,000.

Another approach is contribution splitting, which allows you to transfer up to 85% of your concessional (before-tax) contributions into your partner's super account each financial year. To be eligible to receive split contributions, your partner must be under preservation age, or if between preservation age and 65, not yet retired. This can help balance super between you over time and may assist with managing the transfer balance cap when you both reach retirement.

If your partner does earn some income from employment, they'll be entitled to employer super contributions, and could also consider salary sacrifice or personal contributions to build their balance further. Reviewing both of your super positions together ensures you're making the most of available opportunities. Your adviser can help you decide which strategy suits your circumstances.

Question 2:

I keep hearing about 'sequencing risk' in retirement. What does it mean and why should I care?

Sequencing risk refers to the danger of experiencing poor investment returns early in your retirement, right when you're starting to draw down on your savings. Even if long-term average returns are reasonable, a market downturn in the first few years of retirement can have a lasting impact on how long your money lasts – because you're selling assets

at lower prices while still withdrawing income. This risk is most pronounced during the first five to ten years of retirement.

For example, two retirees with the same starting balance and the same average return over 20 years could end up with very different outcomes, depending on the order in which those returns occurred. The one who experienced losses early may run out of money sooner than the one who had gains in the early years.

Managing sequencing risk often involves holding a cash buffer or more defensive assets in the early years of retirement, so you're not forced to sell growth assets during a downturn. It can also mean being flexible with your spending or drawdown rate when markets are volatile. Your adviser can help you structure your retirement income strategy to reduce the impact of sequencing risk while still allowing your portfolio to grow over time.

Question 3:

I earn under \$60,000 a year – am I eligible for any government incentives to boost my super contributions?

Yes, there are a couple of incentives worth knowing about. The first is the super co-contribution. If your total income is less than \$62,488 (for the 2025-26 financial year) and you make a personal after-tax contribution to your super, the government may contribute up to \$500 to your account. The maximum co-contribution applies if your total income is \$47,488 or less and you contribute at least \$1,000. The amount phases out as your income increases toward the upper threshold.

Another option is the low income super tax offset (LISTO), which applies automatically if your adjusted taxable income is \$37,000 or less. This refunds the 15% tax paid on your concessional contributions, up to a maximum of \$500 per year, helping to ensure lower-income earners aren't disadvantaged by the super tax system.

Both of these incentives can meaningfully boost your retirement savings without requiring large contributions. Your adviser can help you work out whether you're eligible and how to structure contributions to get the most benefit.

With all these topics, there is no single "right" choice. Your personal situation matters, and you should seek advice from a licensed financial adviser to understand what is most appropriate for you.

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LIVING WITH DEMENTIA UP CLOSE

WHAT FAMILIES CAN DO NOW TO PROTECT DIGNITY, FINANCES AND PEACE OF MIND

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BY WEALTH ADVISER

Introduction: why close-up dementia changes the conversation

Dementia feels very different up close than it does in abstract statistics or policy papers. For Ashley Owen, the shift from theory to reality came when his mother, who had been sharp enough to complete a PhD at 90 and was still certified mentally competent at 94, slid rapidly into vascular dementia, entering her first permanent dementia facility at 95 and dying at 97 after a final stroke.

His account of those years - moving through four different facilities, negotiating emergency hospital transfers, signing restraint consents and watching his mother lose not only memory and independence but also any meaningful control - gives Australian families a rare, candid view into what dementia care can look like day to day. It also underlines a core

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message: the earlier families think about care options, legal decisions and funding, the more scope they have to protect dignity and peace of mind for everyone involved.

Inside the reality of dementia care

Owen describes his mother's decline as both fast and, in hindsight, foreshadowed. What the family initially dismissed as "forgetfulness" - misplacing items, minor confusion - evolved into missed meals and significant weight loss, getting lost near home, writing blank cheques and forgetting how to use the lift she had taken every day for 20 years. Eventually, despite extensive use of in-home services, it became clear she could not safely live alone, especially after repeated falls and fractures at night that required hospital treatment.

Moving into permanent care did not resolve her struggle for control. A fiercely independent personality who hated the idea of not being able to "just walk out the door and go home," she spent much of her first year in facilities plotting and attempting escape - sometimes successfully, slipping out through fire exits and loading docks until found wandering lost in nearby streets. Many families recognise this pattern: even when dementia has clearly impaired judgement, the person's sense of self as an autonomous adult remains strong, making transitions into care both necessary and traumatic.

Life inside dementia facilities is confronting. In the final home, which specialised in advanced dementia with aggression, Owen describes a colourful environment full of large pictures of birds and flowers, daily activities like music, painting, balloon games and even petting zoos - "a cross between a madhouse and a kindergarten." Yet beneath the surface, there was constant noise: residents shouting in multiple languages, using walkers as battering rams, or repeatedly knocking furniture against walls. Carers and families lived with an almost continuous background of distress and agitation, punctuated by brief calm periods that could end abruptly without obvious trigger.

Perhaps most striking is how dementia reshaped his mother's communication. In the last 12-18 months she could no longer hold sustained conversations, instead alternating between long blank stares and apparently random sentences that, on closer listening, often hinted at unmet needs: "There wasn't any bacon at the beach today" probably meant hunger; "I was stuck in a tunnel underground for months" seemed to express feeling trapped and lost. Health information for carers increasingly encourages this kind of interpretive listening, inviting families to look past literal words and ask what emotion or need the person might be trying to express with the linguistic tools they still have.

Owen's story also illustrates how dementia erodes the concept of personal possessions. Early attempts to

personalise his mother's room with photos and familiar items failed as she stopped recognising them - and as residents routinely wandered into each other's rooms, took handbags, walkers and clothing at random, and sometimes used items as projectiles. Despite meticulous labelling, clothes cycled between wardrobes, and arguments broke out over items that in truth belonged to neither person. For families, this can be shocking; understanding that the priority has shifted from preserving "things" to preserving comfort and safety helps reframe expectations.

Finding the right care - and the right people

A major lesson in Owen's account is that not all aged care homes are the same, and that "dementia care" is not a single category. His mother's quiet yet stubborn temperament, combined with loss of verbal skills, translated into physical aggression: slapping, punching, scratching and throwing objects, which the first three facilities could not manage, leading to formal or informal evictions and repeated hospital stays. Only the fourth facility, designed for residents with advanced dementia and behavioural issues, provided an environment where staff, systems and layout were aligned to her needs.

For families, this suggests approaching facility selection more like matching a complex medical condition to the right specialist ward than choosing a generic "nursing home." Helpful practical tests include walking the corridors at unannounced times to see whether residents are mostly engaged in activities or isolated in rooms, and watching how staff interact when they do not appear to be under direct scrutiny. Owen describes standing for long periods observing staff through a window and never seeing behaviour that changed when they knew he was watching - a powerful indicator of consistent culture rather than staged performance.

He also highlights the importance of staff continuity and personal connection. In the final facility, even kitchen and office staff seemed to know residents and family members by name, pitched in at mealtimes to calm and feed residents, and were visibly moved when his mother died, with several crossing roles to offer condolences and hugs. National dementia policy emphasises workforce capability and compassionate care as key pillars of quality, recognising that staff who understand individual triggers and histories can prevent or de-escalate many crises without reaching immediately for medication or restraints.

Nevertheless, difficult discussions about "restrictive practices" are often unavoidable. Owen recounts being asked to sign a Restraint Consent form authorising, under defined conditions, the use of chemical restraints (medications), mechanical restraints (belts or harnesses), physical holding, environmental restrictions (locked doors, limited access areas) and isolation in secure rooms. Australian

guidance is clear that such measures must be a last resort, proportionate to the risk and regularly reviewed, and ideally considered in the context of an Advance Care Directive and the person's previously expressed values about autonomy, safety and comfort. Families who have had early conversations about these issues often find it easier to weigh up short-term distress versus longer-term harm, rather than making rushed decisions when everyone is exhausted and frightened.

Documents that speak when you no longer can

If there is a single practical thread running through Owen's story, it is that critical documents need to be in place before dementia limits capacity. His mother's insistence that she would "live to 120" and could make decisions "when the time comes" meant she resisted conversations about wills, Enduring Powers of Attorney (EPOA), Enduring Guardianship and Advance Care Directives. By the time dementia advanced and her lawyer was no longer comfortable certifying capacity, the family was left with outdated or incomplete paperwork and no clear, consolidated statement of her wishes.

Australian resources such as Dementia Australia's "Planning ahead" and Better Health Channel's "Dementia - early planning" stress the value of acting while the person can still understand and sign documents. The key instruments typically include:

- A current will, clearly appointing an executor and reflecting contemporary intentions.
- An Enduring Power of Attorney, authorising trusted individuals to manage financial and legal affairs if capacity is lost.
- An appointment of an Enduring Guardian (or equivalent role, depending on state), empowering someone to make decisions about where the person lives, what services they use and certain medical or personal matters.
- An Advance Care Directive, recording preferences about future medical treatment, hospital transfers, life-prolonging interventions and palliative care, and sometimes appointing a medical decision-maker.

Dementia Australia emphasises that these documents are not merely legal formalities but tools that allow people to

"speak" when they can no longer explain what they want. For families, they provide a reference point when disagreements arise or when clinicians propose treatments that may extend life but at the cost of comfort or dignity.

Owen's later reflections show how this experience reshaped his own planning. He updated his Enduring Guardianship, EPOA, Advance Care Directive, will and superannuation instructions, including a binding death nomination and a pre-signed instruction to his SMSF trustees to shift money out of super to reduce the 17% death tax on taxable super paid to non-dependent adult children. He even prepared the information needed for his own death certificate in advance, having discovered how errors made under pressure can delay probate by weeks. For clients of financial advisers, his approach illustrates how estate planning, SMSF governance and aged care planning should be integrated rather than treated as separate check-lists.



Paying for care without losing the bigger picture

Dementia care is not only emotionally demanding; it can be financially intensive over many years. Owen estimates that his mother's permanent aged/dementia care cost around \$120,000-\$150,000 per year out-of-pocket after insurance, roughly half of what 24/7 professional in-home care would have

cost. He notes that, while substantial, these costs were lower than he had anticipated once the mix of accommodation payments, care fees and insurance reimbursements was fully understood, highlighting the importance of detailed, personalised projections rather than relying on rough assumptions.

Under Australia's residential aged care system, costs typically comprise a basic daily fee, a means-tested care fee and accommodation payments, which can be paid as a lump-sum Refundable Accommodation Deposit (RAD), a Daily Accommodation Payment (DAP) or a combination of both. Government examples show how these elements interact with income and assets tests, and how choosing between RAD and DAP affects cashflow, pension entitlements and estate outcomes. Industry analysis indicates that room prices (RADs) have been trending higher, and that policy changes - for example around provider retention of

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a portion of the RAD or adjustments to interest rates used to calculate DAPs - can change the financial calculus for families.

For many Australians, the family home is central to this decision. Selling the home to fund a RAD may simplify the fee structure and reduce DAP, but it can also affect age pension treatment and intergenerational expectations. Retaining the home and paying DAP from income and investments preserves capital but demands reliable cash-flow and may require portfolio changes. Advisers play a key role in modelling these scenarios, including stress-testing them against longevity, investment risk and the potential need to transition between home care and residential care as dementia progresses.

Owen's comparison between residential care and full-time home care also draws attention to hidden costs borne by families: unpaid caregiving, reduced working hours and the emotional strain that can ripple through marriages and future retirement plans. Thoughtful planning considers not only the person with dementia but also the wellbeing and financial resilience of carers, aiming to avoid situations where one generation's crisis care consumes the retirement security of the next.

Using planning to protect dignity and peace of mind

In his closing reflections, Owen contrasts three different deaths he has witnessed up close: his mother's physically pain-free but mentally devastated final years with advanced dementia; his father's mentally sharp but physically agonising death from cancer; and his brother's sudden death in a plane crash. Rather than ranking them, he concludes that none is ideal and that he may not get to choose his own path, but that this uncertainty should sharpen his focus on how to use his remaining time and how to reduce avoidable

burdens for those he leaves behind.

Planning ahead for dementia and aged care - emotionally, legally and financially - is part of that work. It enables conversations about values and preferences while the person can still participate; it gives families a framework to make tough calls about hospital transfers, treatments and care settings; and it gives advisers a clear mandate to align wealth strategies with real-world care goals instead of abstract targets.

For Australian retail clients working with financial advisers, the message is not to assume the worst, but to prepare for the plausible: cognitive decline that may be rapid, care needs that may be complex, and family emotions that will be intense. By using tools such as wills, Enduring Powers of Attorney, Enduring Guardianship, Advance Care Directives and aged care funding strategies in an integrated way, families can ensure that when minds change, money and decisions are still guided by the person they once were - and by the love their family carries for them now.

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FROM WAITING LISTS TO WATER PIPES TURNING AUSTRALIA'S INFRASTRUCTURE SQUEEZE INTO INVESTMENT RESILIENCE



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BY WEALTH ADVISER

Australia is adding people faster than it is adding critical infrastructure, and that gap has profound implications for both community wellbeing and long-term investors. For Australian households thinking about the next decade, understanding how this pressure translates into risks and opportunities in infrastructure investing can be an important part of building more resilient wealth.

The hidden balance sheet of everyday life

When another million people move into a city like Brisbane, Sydney or Melbourne, the strain is not just felt on housing and traffic; it runs through every part of daily life from emergency departments to school drop-off and rail platforms. Ross Elliot highlights that, at roughly one hospital bed for every 270 Australians, an extra million people imply about 3,703 additional beds and the equivalent of seven and a half large hospitals just to maintain today's level of service.

Those extra beds come at an estimated capital cost of between 1.5 and 2 million dollars each, implying somewhere between 5.5 and 7.5 billion dollars of new investment

in hospital capacity per big city at today's prices. Similar arithmetic applies to schools, where providing around 360 additional government and non-government schools for a million more residents can require tens of billions of dollars and creative approaches to scarce urban land.

Counting the real cost of growth

The numbers do not stop at health and education: keeping an extra million people moving means accommodating around 600,000 additional private cars and about 200,000 extra commercial vehicles, or finding ways to shift that load onto tunnels and rail lines that currently cost around a billion dollars a kilometre to build. On top of that come basic needs such as water, with another 200 million litres a day - equivalent to roughly 30,000 Olympic pools a year - that must be captured, treated and delivered at a time when desalination plants and bulk water networks are capital-intensive and energy-hungry.

Law and order also scale with population: Elliot's back-of-the-envelope calculation suggests another 1,600 to 2,000 prison cells per million people, each costing in the order of 700,000 dollars before ongoing operating expenses, alongside thousands more police, nurses and firefighters

Many experienced investors emphasise diversification within infrastructure itself, balancing assets that benefit directly from population growth, such as toll roads and airports serving cities like Brisbane and Melbourne, with utilities, renewable energy and digital infrastructure that are less cyclical but still exposed to long-term demand.

to staff an enlarged system. Even housing, which should in theory be the simplest asset to deliver, is struggling to keep up, with national targets such as 1.2 million homes over five years described as aspirational in an environment where planning rules, approvals and costs have slowed the supply response markedly compared with two decades ago.

From fiscal burden to investable opportunity

For governments, these figures read like a daunting liability, yet for long-term investors they also describe a pipeline of essential projects that must be financed somehow. Infrastructure managers emphasise that many of these assets – hospitals built under public-private partnerships, toll roads, regulated utilities and digital networks – generate long-duration cash flows backed by regulation, concession agreements or long-term contracts, giving them a distinctive combination of predictability and growth.

Specialist commentators argue that infrastructure thus behaves like a “third way” between shares and bonds, offering equity-like participation in economic growth but with bond-like visibility over revenues and a closer linkage to inflation than many corporate earnings streams. In practice, this means that the same forces stretching hospital waiting lists and congesting motorways can underpin relatively stable earnings for well-run infrastructure assets, particularly where pricing is indexed to consumer prices or nominal GDP, and where demand is reinforced by demographic growth and urbanisation over decades rather than years.

Why infrastructure appeals to long-term investors

In recent years, listed infrastructure has drawn renewed interest because it combines resilience with exposure to powerful structural trends such as energy transition, digitalisation and urban growth. Assets like electricity networks, renewable generation, data centres, communication towers and toll roads sit at the intersection of essential services and long-term policy priorities, which can support reinvestment and expansion even when the broader economy is volatile.

Despite these characteristics, allocations to infrastructure in many Australian portfolios remain modest, in part because the domestic universe of listed names has shrunk and in part because some investors still see it solely as a

defensive income play rather than a source of real growth. Global perspectives suggest this may be a missed opportunity, with research highlighting multi-decade funding gaps in transport, energy and social infrastructure worldwide and pointing to a long pipeline of potential projects as governments seek private capital to co-fund everything from clean energy grids to hospitals and schools in growing cities.

Using infrastructure in a diversified portfolio

For retail investors, infrastructure exposure can be accessed through listed funds, unlisted vehicles available via platforms, or diversified products that blend multiple sectors such as transport, utilities, energy and social infrastructure. A common approach is to use infrastructure as a core allocation within the defensive or income part of a portfolio, recognising that while prices can be volatile in the short term, the underlying earnings stream is typically tied to essential services that households and businesses cannot easily forgo.

Many experienced investors emphasise diversification within infrastructure itself, balancing assets that benefit directly from population growth, such as toll roads and airports serving cities like Brisbane and Melbourne, with utilities, renewable energy and digital infrastructure that are less cyclical but still exposed to long-term demand. This diversification can help manage risks highlighted by Elliot’s discussion of regulatory delays, rising construction costs and political debate, because spreads across regions and subsectors mean no single project or policy shift dominates portfolio outcomes.

Navigating risks: politics, permits and prices

None of this is risk-free, and part of being an informed investor is understanding where the vulnerabilities lie. Projects can face cost blowouts, planning obstacles or changes in government policy, especially when public debate becomes heated over issues such as immigration, congestion and housing affordability, as Elliot anticipates when he warns that the conversation could turn febrile once shortages in hospitals, schools and water become impossible to ignore.

Infrastructure securities can also be sensitive to interest-rate moves because the market values long-dated cash

flows using discount rates that shift with bond yields, a dynamic that contributed to recent valuation volatility even as many underlying assets continued to grow earnings and pay dividends steadily. The advantage of using diversified, professionally managed vehicles is that specialist teams can actively manage these financial and regulatory risks across a broad portfolio, rather than relying on a single project or region, and they can use market pullbacks to add positions at more attractive valuations where fundamentals remain sound.

Ethics, society and investing in the squeeze

A natural question for thoughtful readers is whether it is appropriate to profit from infrastructure strains that, at ground level, look like ambulance ramping, classroom overcrowding or water restrictions. One way to frame the issue is to recognise that long-term patient capital is part of the solution, not merely a beneficiary, because private investors share an interest in building durable, well-maintained assets that communities can rely on for decades.

Investors can look beyond narrow return metrics by asking how the infrastructure funds they select engage with environmental, social and governance issues, including

how they treat staff, manage community impacts and work with governments on fair and sustainable user-pays models. For many people, the most satisfying outcome is when strong, inflation-linked income from infrastructure supports their own retirement goals while also helping finance the hospitals, water systems and transport networks that make fast-growing Australian cities more liveable for the next generation.

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BEYOND THE GREENBACK

BUILDING RESILIENT PORTFOLIOS WHEN THE US DOLLAR NO LONGER FEELS BULLETPROOF

BY WEALTH ADVISER

The US dollar still dominates the global financial system, but recent events and long-running trends mean it may no longer be the unquestioned safe haven many Australians grew up with. This article does not tell anyone what they should do with their money; it simply sets out how the landscape is changing so readers can better understand the reality behind the headlines.

How the dollar earned its 'safest currency' label

For decades, the US dollar has been backed by powerful ingredients: very deep financial markets, many of the world's largest companies and government bonds that foreign investors have long regarded as close to risk free. Together, these factors helped the United States attract roughly 4.5 trillion dollars of net capital inflows in just five years, cementing the dollar's status as the main reserve currency and the unit in which much of world trade and debt is denominated.

In past crises, this status tended to reinforce itself. When global sharemarkets stumbled, investors typically moved money into the greenback and US Treasury bonds,

pushing the dollar up and confirming its reputation as a shock absorber. For many Australian savers, holding US-dollar-denominated investments or global funds with large US exposure came to feel like a natural way to seek safety as well as growth.

Why the dollar now looks less bulletproof

The market turbulence of 2025, particularly the Liberation Day sell-off, showed that this pattern is no longer guaranteed. During that episode, gold jumped and several major currencies strengthened against the dollar even as US shares fell, indicating that many investors were looking beyond the greenback for protection rather than automatically running towards it.

Under the surface, several long-running pressures help explain this shift.

- **Large budget deficits:** The US government has been spending far more than it raises in tax, running deficits of about six per cent of GDP—levels usually associated with recession—despite operating close to full employment. Each year of overspending adds to an already large debt pile.
- **A persistent current-account deficit:** The country imports

Gold often sits alongside these currencies in discussions of resilience. Commentators who study the monetary system note that when concerns about debt and politics rise, some investors prefer to hold an asset that is no one's liability, and that gold has frequently performed best when real interest rates are low and confidence in major currencies is strained.

more than it exports and relies on continual inflows of foreign capital to fund the gap, with much of that money flowing into government bonds and a narrow group of high-growth technology and AI companies.

- Policy and institutional uncertainty: Analysts have pointed to political pressure on the US Federal Reserve to cut interest rates quickly and to rising tension between branches of government and some traditional allies, developments that can weaken the trust on which a reserve currency depends.

Valuation adds another layer. On several models, the dollar has looked expensive relative to other major currencies for some time, a position easier to justify when US interest rates and economic growth were clearly stronger than elsewhere, but harder to defend as those advantages narrow. If a widely held, relatively expensive currency also faces questions about debt, policy and politics, it is understandable that investors might be more cautious about assuming it is always the safest asset in the room.

For Australians, these issues matter because many international investments are priced in US dollars, from global share funds to US-listed companies. When the exchange rate moves, returns can be significantly higher or lower once converted back into Australian dollars, even if the underlying investment itself has not changed.

Safe havens: what still works and what has changed

The US dollar has traditionally shared “safe haven” status with assets such as the Japanese yen, Swiss franc, gold and high-quality government bonds—things that tend to hold value, or even rise, when riskier markets fall. Recent research, however, suggests that safe-haven behaviour is more conditional than many people assume.

Studies of the 2008 global financial crisis and the COVID-19 shock find that gold behaved as a relatively reliable safe haven in both episodes, while currencies such as the yen and the franc only played that role in some circumstances and could move in the same direction as sharemarkets when domestic conditions or policy choices dominated the story. Educational material for currency traders now

tends to emphasise that safe-haven status depends on the type of shock, starting valuations and investor positioning, rather than being a permanent label.

The Liberation Day experience fits this more nuanced picture. In earlier corrections between 2010 and 2020, trade-weighted measures of the dollar usually climbed when the S&P 500 fell sharply, reinforcing its image as a shock absorber. In 2025, by contrast, gold and some other major currencies shouldered more of that role while the dollar lagged, showing that its protective qualities can fade when worries about US-specific risks are part of the problem. No single asset, not even the dollar, can be relied upon to provide shelter in every kind of storm.

Thinking in baskets rather than single ‘winners’

None of this means the US dollar is about to disappear from the centre of the financial system. It still dominates trade invoicing, global debt markets and central-bank reserve holdings. What is changing is the assumption that it must always be the obvious safe choice.

One way of describing the new reality is to think in terms of baskets rather than champions: resilience coming from a mix of currencies and assets with different strengths and weaknesses, instead of from one “world’s safest currency”. Orbis, for example, points to a group including the Norwegian krone, Australian dollar and Japanese yen as currently offering combinations of stronger external balances, different economic drivers and, in their view, more attractive long-term valuations than the US dollar.

Gold often sits alongside these currencies in discussions of resilience. Commentators who study the monetary system note that when concerns about debt and politics rise, some investors prefer to hold an asset that is no one's liability, and that gold has frequently performed best when real interest rates are low and confidence in major currencies is strained. While gold is volatile and pays no income, its role as a store of value in times of uncertainty is a recurring theme in both historical data and recent market behaviour.

For Australians, the local currency itself is an important part of any such basket. The Australian dollar tends to rise when global growth and commodity demand are strong and

to fall when risk sentiment turns, a pattern sometimes described as “riding the Aussie dollar wave”. This means that unhedged overseas investments can feel like a double-edged sword: in some periods a weaker local dollar boosts returns from foreign assets, while in others a stronger local currency reduces them, even if markets overseas are flat. Recognising this pattern helps explain why international returns can diverge so much from foreign-market headlines.

The central idea is not that any one of these alternatives can or should replace the US dollar, but that together they show how the world is slowly moving away from treating the greenback as the only game in town.

What this changing landscape means for everyday investors

For retail investors in Australia, the most useful response to these shifts is awareness rather than urgency. Understanding that the US dollar’s safe-haven status now comes with visible caveats—large debts, political tensions and a less obvious valuation edge—helps put news about currency swings, interest rates and gold prices into context without implying that there is a single correct strategy.

It is also helpful to recognise that currencies and so-called safe-haven assets do not behave in fixed ways. The fact that gold or the yen protected investors in one crisis does not guarantee they will do so in the next, just as the dollar’s long track record does not guarantee it will always rise when markets fall. Seeing resilience as something that emerges from exposure to different economies, currencies and asset types—rather than from betting on a single “safest” option—is one way of making sense of an increasingly

complex environment.

Above all, appreciating these dynamics can make portfolio ups and downs easier to interpret. When the dollar weakens, Australians with unhedged US investments may see strong headlines about Wall Street but more modest returns after currency effects; when the dollar strengthens, the opposite may be true. Recognising that such outcomes are part of how the system works, rather than signs that something has gone wrong, can help investors stay more grounded as the role of the “world’s safest currency” continues to evolve.

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Q&A: Ask a Question

Question 1:

My partner doesn't work and has very little super. Is there anything I can do to help build their retirement savings?

There are a few strategies that can help boost your partner's super balance, even if they're not earning an income. One option is making a spouse contribution, where you contribute after-tax money directly into your partner's super fund. If your partner's income (including assessable income, reportable fringe benefits, and reportable employer super contributions) is below \$40,000, you may be eligible for a tax offset of up to \$540 when contributing \$3,000 or more. The offset begins to phase out once their income exceeds \$37,000.

Another approach is contribution splitting, which allows you to transfer up to 85% of your concessional (before-tax) contributions into your partner's super account each financial year. To be eligible to receive split contributions, your partner must be under preservation age, or if between preservation age and 65, not yet retired. This can help balance super between you over time and may assist with managing the transfer balance cap when you both reach retirement.

If your partner does earn some income from employment, they'll be entitled to employer super contributions, and could also consider salary sacrifice or personal contributions to build their balance further. Reviewing both of your super positions together ensures you're making the most of available opportunities. Your adviser can help you decide which strategy suits your circumstances.

Question 2:

I keep hearing about 'sequencing risk' in retirement. What does it mean and why should I care?

Sequencing risk refers to the danger of experiencing poor investment returns early in your retirement, right when you're starting to draw down on your savings. Even if long-term average returns are reasonable, a market downturn in the first few years of retirement can have a lasting impact on how long your money lasts – because you're selling assets

at lower prices while still withdrawing income. This risk is most pronounced during the first five to ten years of retirement.

For example, two retirees with the same starting balance and the same average return over 20 years could end up with very different outcomes, depending on the order in which those returns occurred. The one who experienced losses early may run out of money sooner than the one who had gains in the early years.

Managing sequencing risk often involves holding a cash buffer or more defensive assets in the early years of retirement, so you're not forced to sell growth assets during a downturn. It can also mean being flexible with your spending or drawdown rate when markets are volatile. Your adviser can help you structure your retirement income strategy to reduce the impact of sequencing risk while still allowing your portfolio to grow over time.

Question 3:

I earn under \$60,000 a year – am I eligible for any government incentives to boost my super contributions?

Yes, there are a couple of incentives worth knowing about. The first is the super co-contribution. If your total income is less than \$62,488 (for the 2025-26 financial year) and you make a personal after-tax contribution to your super, the government may contribute up to \$500 to your account. The maximum co-contribution applies if your total income is \$47,488 or less and you contribute at least \$1,000. The amount phases out as your income increases toward the upper threshold.

Another option is the low income super tax offset (LISTO), which applies automatically if your adjusted taxable income is \$37,000 or less. This refunds the 15% tax paid on your concessional contributions, up to a maximum of \$500 per year, helping to ensure lower-income earners aren't disadvantaged by the super tax system.

Both of these incentives can meaningfully boost your retirement savings without requiring large contributions. Your adviser can help you work out whether you're eligible and how to structure contributions to get the most benefit.

With all these topics, there is no single "right" choice. Your personal situation matters, and you should seek advice from a licensed financial adviser to understand what is most appropriate for you.

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