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# pulse

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## IN THIS ISSUE

The Case for  
Private Assets

Welcome  
Richard Cai!

Get Ready for  
the Land Tax  
Year of 2024

Considering  
Establishing  
an SMSF?

Cybersecurity as  
a Cornerstone of  
Sustainable Supply  
Chain Practices



**Bob Bell**  
Managing Director  
PKF Sydney and Newcastle

# Contents

Welcome	1
Message from the MD	
The case for private assets	2
Navigating the transition of leadership in business	3
Welcome Richard Cai!	5
Take 5... with Richard Cai	6
Nelson Bay Touch Football Association	7
Surf Aid	8
Getting ready for the land tax year of 2024	9
Meet our Port Stephens Team	11
The Hunter Breast Care Breakfast	12
Considering establishing an SMSF?	13
History filming: Retrospect	15
Water Polo sponsorship	16
Everest Trek	17
Cybersecurity as a cornerstone	19
Tax diaries	20

## MD welcome

Welcome to our first edition of Pulse for 2024 – it's hard to believe we are well into March already.

We concluded 2023 on a high note with the exciting addition of PKF Port Stephens and PKF Upper Hunter to our group. These strategic partnerships bolster our regional presence and enrich our expertise, enabling us to offer comprehensive solutions and personalised services to our clients across a broader range of industries and locations. We are delighted to have the talented professionals from Port Stephens and Upper Hunter join us, and we eagerly anticipate working together for future growth and success.

The start to 2024 has been filled with renewed energy and a focus on strategic planning across the PKF network. The Australia and New Zealand Business Advisory teams came together in Melbourne, while the Business Recovery and Insolvency teams from Sydney and Melbourne gathered in the picturesque vineyards of the Hunter Valley. The innovative and collaborative strategic pathways created during these conferences promise to enhance the value we deliver to our clients.

Building on the success of last year's sponsorships with the nib Newcastle Knights and the Hunter Valley Wine Show, we have reaffirmed our commitment to community engagement by partnering with both organisations again for 2024. An integral part of our ethos is to give back, actively participating in initiatives that enrich the lives of those around us. This edition of Pulse highlights our community involvement, including Andrew Beattie's Mount Everest Trek with the Mark Hughes Foundation, Nick Falzon's involvement with Water Polo Australia, Paul Pearman and the Audit team's generosity with Surfaid, along with Teresa Richardson's support of the Nelson Bay Touch Football Association.

While we focus on the future, our history is very important to us. With this in mind, we are excited to launch our most recent mini-series project 'Retrospect', commemorating over 45 years of service to the Newcastle and Hunter region. Our videos feature many familiar faces, documenting our evolution from a small Hunter Street firm to becoming an integral part of a leading international group. Read further about the series on page 15 and stay tuned as we release short episodes periodically throughout the year.

We hope you enjoy this edition of Pulse, feel free to contact us with any questions, queries or comments you may have.

In this edition of Pulse may you discover the solution to a lingering question or find solace in knowing there's an advisor who comprehends your business needs





**Chris Davis**  
Executive Director,  
PKF Wealth

"Private assets offer low return correlation with listed assets and can work to reduce overall portfolio volatility."



# The case for private assets

Private assets have been an attractive area of investing for many years for the big end of town, ultra-high net worth families, institutions, and large super funds. However, these investments have been unavailable to smaller investors until very recently. "Private assets" is a term that covers many investments that are typically not traded on publicly listed markets and are therefore less liquid than their listed counterparts.

The trade-off that investors must accept is that for the loss of immediate liquidity and necessary longer investment horizons needed when investing in private assets, is that these investments can deliver the illiquidity return premium. This is a return factor that is present in illiquid private asset markets, where the returns are greater in private assets than available from investing in publicly listed and traded assets. Private assets also offer low return correlation with listed assets and can work to reduce overall portfolio volatility.

## Categories of private assets:

- Private equity: Access to larger private companies allow investors to participate actively in private equity, benefiting from strategic planning and concentrated ownership.
- Private debt/credit: These opportunities in debt markets provide fixed-income options within the private sphere.
- Direct property and infrastructure: Property unit trusts provide exposure to tangible assets, offering stability and potential for both income and long-term growth, but with limited liquidity.

## Private equity vs. public equity:

Private equity stands out with its unique characteristics:

- Private information shared under NDA.
- Active ownership positions where there is a greater alignment of interest between owners and management.
- Concentrated ownership structure.
- Multi-year strategic planning.
- Ability to attract talent through equity participation.

In contrast, public equity operates within the confines of public information, passive shareholders, broad ownership, quarterly reporting cycles, and traditional incentive structures.

## Issues to be considered:

- Low or no liquidity (takes longer to get access to your invested money).
- Longer holding horizon (often with a minimum lock up period).
- Less consumer protection as they are only available to wholesale investor's and may not have AFCA protection.

## The potential opportunity set:

Over recent years the number of listed companies in major markets is in decline, reducing the investment opportunity set for investors that can only access listed markets. For example, in the USA the number of public companies has shrunk from

7,800 in 2000 to approximately 4,800 in 2020, a decline of 38%! To further illustrate this point and the opportunity set in unlisted companies, there are 7.5 times more US Private Companies than there are Public Companies with revenues over \$100m (as of September 2021).

While private asset investments can be lucrative, suitability must be assessed for each client. Factors such as low or no liquidity, a longer holding horizon, little to no income, and incompatibility with managed portfolios should be carefully considered. Blending managers, setting portfolio use limits, such as a maximum weight of 5% to each illiquid fund, and 20% to private assets, can ensure a balanced and risk-aware approach.

In conclusion, private asset investment opportunities present a compelling option for investors seeking diversification, stable returns, and reduced volatility. However, careful consideration of suitability, blending strategies, and adherence to portfolio use limitations are crucial for a well-balanced investment approach. As the landscape of private assets continues to evolve, staying informed and adapting to market dynamics will be key for investors and financial professionals alike.

**To investigate this opportunity please contact your PKF Wealth financial adviser on [wealthinfo@pkf.com.au](mailto:wealthinfo@pkf.com.au).**



David Jamieson  
Partner  
Business Advisory Services

"Leadership transitions are pivotal moments for organisations, demanding meticulous planning, transparent communication, and a commitment to continuity and growth."

# Smooth sailing: Navigating the transition of leadership in business



In the dynamic landscape of modern business, leadership transitions are inevitable. Now more than ever, with an estimated \$3.5 trillion in Australian business assets about to transfer from the control of baby boomers to the next generations, a smooth leadership transition is important to family businesses everywhere.

Of course, there are many other circumstances that necessitate a leadership transition: whether due to retirement, promotion, or unforeseen circumstances, the handover of leadership roles can be a critical juncture that profoundly impacts an organisation's future.

On a personal note, I will never forget the phone call when the former division leader of the Newcastle business advisory team, Andrew, called me to say it was time (after 12 years) for him to hand over the reins to me.

Fortunately, we had been discussing and planning this transition for more than two years. We knew that transparency and open communication lay the foundation for a smooth transition. Leaders must be candid about their intentions to step down or move into a new role, providing the time for the business to prepare. This transparency builds trust throughout the team,

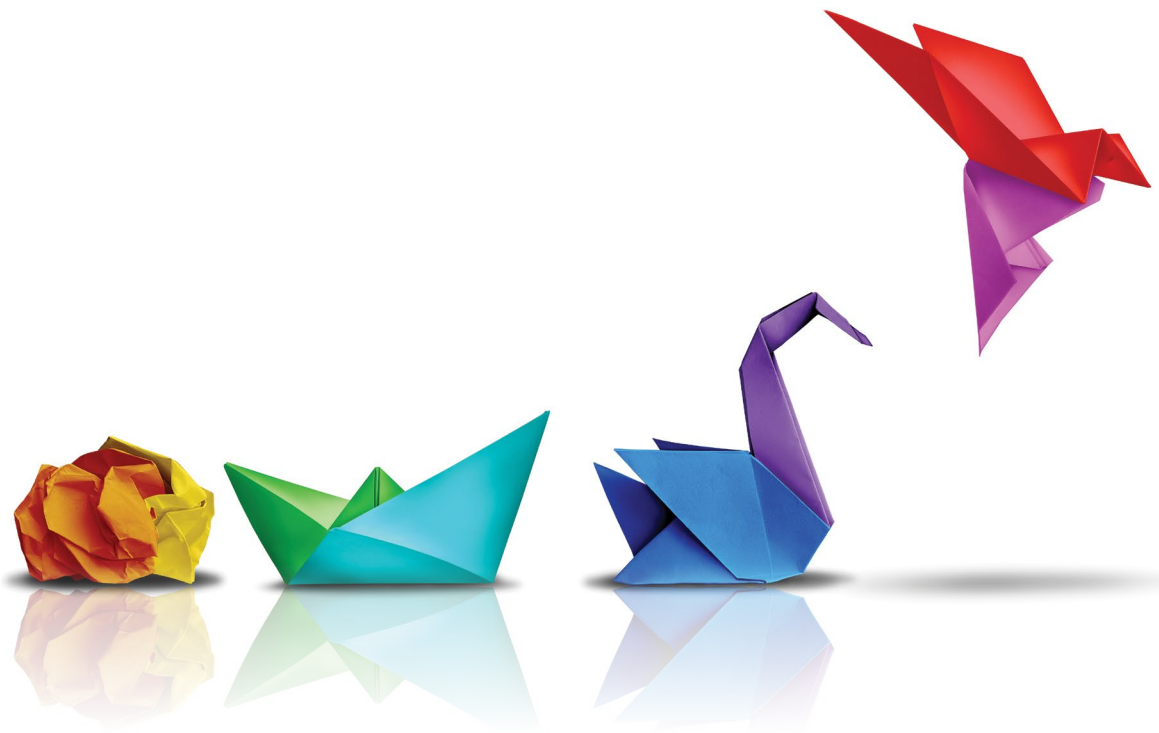
mitigates uncertainty, and allows for a structured transition plan to be implemented.

Even better, this phone call took place just before I was due to take some leave, and I used the downtime to reflect on truly leveraging the changeover to take our business forward. After all, transitioning a leader in business isn't just about passing the baton; it's a delicate process that requires foresight, planning, and effective communication to ensure continuity and foster growth. Here are some of my observations from that time, and since stepping into the role.

## Seek advice

In the four months since the changeover, Andrew and I have met weekly and workshopped any situations and decisions that needed some balance. Fostering this culture of knowledge, sharing, and mentorship facilitates the transfer of institutional knowledge from outgoing leaders to their successors.

Even when the outgoing leader is not going to be available after the transition, this can take the form of mentorship programs, shadowing opportunities, or structured knowledge transfer sessions where departing leaders impart



their insights, experiences, and best practices to their successors. By documenting key processes, strategies, and relationships, businesses can preserve valuable institutional knowledge and facilitate a smooth leadership transition.

### **Communicate, communicate, and communicate again**

Another thing I have observed in these four months: effective communication is paramount throughout the transition process, both internally and externally. Internally, leaders must keep the whole team informed about the transition timeline, changes in leadership structure, and how it may impact their roles and responsibilities. Clear and frequent communication helps alleviate anxiety and ensures that your A-team remains focused and motivated during periods of change.

Externally, businesses must communicate leadership transitions transparently to stakeholders, including clients, investors, suppliers, and partners. Assuring stakeholders of continuity in operations and commitment to upholding core values and objectives helps maintain trust and stability during times of transition. Proactive communication also provides an opportunity to reaffirm the business's vision and strategic direction under new leadership.

### **Plan it!**

A successful leadership transition hinges on meticulous planning and execution. Transition plans should outline key milestones, responsibilities, and timelines for the handover process, ensuring that all stakeholders are aligned and accountable. Regular checkpoints and progress reviews allow for course corrections and adjustments as needed, minimising disruptions and maximising the effectiveness of the transition process.

### **It's hard... but it's an opportunity**

It's essential to recognise that leadership transitions can be emotionally charged events for both outgoing and incoming leaders, as well as employees at all levels of the business. Managing expectations, acknowledging concerns, and providing support throughout the transition period fosters a culture of resilience and adaptability, enabling the business to thrive in the face of change.

We have also found that a leadership transition is an opportunity for refreshment and change. Old processes and thought patterns are there to be challenged and the transition can open the door to a new phase of growth and success. This should be celebrated by all, including the outgoing leaders, as a wonderful part of the human experience.

### **It's ongoing**

Finally, a crucial aspect of leadership transition planning is identifying and preparing potential successors within the business. Succession planning should be an ongoing process, with talent development initiatives aimed at nurturing future leaders and equipping them with the skills and experience needed to step into higher roles seamlessly. By cultivating a pipeline of internal talent, businesses can ensure continuity and minimise disruption during leadership transitions. In our Business Advisory Services division here at PKF, we are constantly coaching our business clients to evaluate and re-evaluate their leadership transition plans and needs. One way or another, it's important to have it on the agenda for every meeting.

Transitioning a leader in business is a multifaceted process that requires careful planning, effective communication, and a commitment to fostering continuity and growth. By prioritising transparency, talent development, knowledge sharing, and communication, businesses can navigate leadership transitions successfully and emerge stronger and more resilient than before.






**Bob Bell**  
Managing Director  
PKF Sydney and Newcastle

# Welcome Richard Cai!

PKF Sydney and Newcastle is pleased to announce the appointment of Richard Cai to our Sydney Business Advisory team. This collaboration signifies a significant milestone for both Richard and PKF, amalgamating a wealth of diverse expertise to deliver elevated services and value to a broad spectrum of clients.



“  
Our Sydney  
advisory team  
welcomes a  
new Partner

This strategic addition further solidifies our standing as a prominent player in the advisory landscape, integrating Richard's notable technical and business acumen with our seasoned team. Aligned with a mutual commitment to excellence and client success, this partnership aims to augment the scope and sophistication of the firm's offerings for enterprises in pursuit of comprehensive advisory support.

"I am delighted to join PKF Sydney and Newcastle's Business Advisory Team, a transition that seamlessly aligns with my dedication to delivering comprehensive and innovative solutions to clients," remarked Richard. "This collaboration not only fortifies the firm's capabilities but also empowers us to provide a more expansive array of strategic insights and guidance to businesses navigating the complexities of today's dynamic and competitive landscape."

Managing Director, Bob Bell, expresses enthusiasm about the prospects Cai brings to PKF. "The inclusion of Richard into our ranks is a strategic move aimed at enhancing our capabilities and delivering even greater value to our clients. The synergies derived from this collaboration will contribute substantial depth to our advisory services, underpinned by a wealth of experience and a shared commitment to excellence," stated Bob.





# Take 5.. with Richard Cai

## Q. What motivates you?

A. Making a positive impact to everyone around me - to empower my family, friends, clients, and colleagues.

## Q. Who is your hero and why?

A. Women – my mother who inspires me, my wife who supports me so selflessly without any questions asked, my daughter who melts my heart every time she stares at me, and the girls in my team at PKF that would put their hands up for all challenges no matter what.

## Q. What do you love most about your job?

A. People – connecting with people around me and having the ability to make a positive difference to clients and mentoring the next generation Chartered Accountants.

## Q. What was your first ever job?

A. First job was a car detailer in my high school days. This is where my passion for cars began.

## Q. Where's the next place on your travel bucket list and why?

A. USA – cannot wait to be at the Chase Centre again for the Warriors game.







Teresa Richardson  
Partner  
PKF Port Stephens

# Proudly supporting the Nelson Bay Touch Football Association

The Nelson Bay Touch Football Association (NBTA) is a pivotal part of the community of Port Stephens. PKF's partnership with the association is a testament to our commitment to the local area and the impact we have on community involvement and support. As an advocate for community initiatives, we are proud to be part of this journey.

PKF Port Stephens Partner, Teresa Richardson, who is a certified Practicing Accountant at PKF, stated that the NBTA holds a special place in the hearts of many.

"Almost every resident has, at some point, been involved in or supported these local yet fiercely competitive competitions. As a previous player, committee treasurer, local referee, and even a state selector, my passion for this sport transcends generations as my children continue to play, and now my grandchildren," Teresa said. One of the most heartwarming aspects of this collaboration is witnessing the growth and success of the junior competition in 2023. At PKF, we're proud to support an initiative that empowers young athletes and creates a safe environment where

sportsmanship and teamwork flourish. This partnership signifies PKF's dedication to community development where we can inspire and shape the community's future. Our PKF Port Stephens team has been working closely with Trent Colley, a devoted member of the NBTA committee, who has brought to life a sponsorship that echoes our enthusiasm to fostering local sports. With over 70 teams registered for the 2023 junior competitions, the largest ever, the financial support provided has been vital in the association's growth. It has enabled further coaching opportunities for junior players and additional support to the association's referees in their development during mid-week competitions, as well as at a

representative level.

"Nelson Bay Touch Football Association is extremely grateful for the support and partnership with PKF. We look forward to forming a long-standing relationship within our local community with PKF by continuing to grow our sport each and every year," Trent said.

We eagerly anticipate building our relationship with the Nelson Bay Touch Football Association, working hand in hand to continually expand the horizons of this beloved sport in the Port Stephens community. We wish the Nelson Bay Touch Football Association a great season ahead.

**PKF. Your winning teammate  
for touch football.**





Paul Pearman  
Partner  
Audit & Assurance



# PKF's Generosity Unveiled: A case study in the Impact of In-Kind Giving

For the past five years, PKF has been an invaluable supporter of SurfAid, providing pro-bono financial services. This partnership not only ensures transparency and accountability in SurfAid's operations, but also allows us to allocate more resources towards our mission of improving the lives of families in remote surf communities.

## Why is it important for PKF to create positive change in the global community and support organisations like SurfAid?

PKF, as a global professional services firm, has a responsibility to contribute positively to the communities in which we operate. Supporting organisations like SurfAid aligns with our commitment to corporate social responsibility and sustainable development that extends beyond business operations.

Partnering with organisations like SurfAid is an excellent chance to showcase our commitment to ethical business practices and societal betterment which is at the core of our values. Over the past five years, our engagement with SurfAid is a clear example of how the power of meaningful relationships contributes to long-term global sustainability. We are excited to continue to invest in initiatives with SurfAid that address pressing social and environmental challenges to create a more equitable, prosperous, and resilient future for women and children supported by SurfAid.

## How do PKF's values of passion, community, and integrity align with SurfAid's mission?

PKF's values of passion, community,

and integrity strongly align with SurfAid's mission to improve the health, well-being, and resilience of remote communities connected through surfing. SurfAid's commitment to empowering local communities resonates with PKF's emphasis on inclusivity, collaboration, and fostering a sense of belonging. Both organisations share a dedication to genuine, honest relationships built on mutual respect and integrity, as well as a belief in collective action to drive positive change. Furthermore, SurfAid's focus on sustainable, community-led development programs mirrors PKF's passion for making a meaningful difference and our drive to innovate and adapt to create opportunities for others.

## Can you share a story or example that illustrates the impact of PKF's partnership with SurfAid on the communities it serves?

PKF's partnership with SurfAid has a tangible impact in the remote communities they work with. For instance, our annual audit service, valued at over \$20,000, represents significant cost savings for SurfAid. These savings can be redirected towards vital programs in remote Indonesian and Pacific communities. For example, SurfAid could reduce

stunting in an entire village with just \$25,000 or implement their full health, water, and nutrition program for a year with \$40,000. Over our five years of support, this partnership has enabled SurfAid to stretch its resources further and make a lasting difference for the families living in these communities.

## How does PKF measure the impact of its pro bono support of organisations like SurfAid?

PKF measures the impact of its pro-bono support for organisations like SurfAid through a comprehensive approach that encompasses both quantitative metrics and qualitative assessments. This involves quantifying the value of services provided, evaluating outcomes and long-term impacts, and engaging with the organisations leaders to gather feedback and insights. By analysing factors such as increased access to healthcare, improvements in community well-being, and advancements in gender equity, PKF assesses the effectiveness of its support in contributing to SurfAid's mission objectives. At PKF we ensure our pro-bono efforts contribute to meaningful and sustainable change through ongoing evaluation and leadership engagement.



Nicholas Falzon  
Director  
Business Advisory Services

"Stay ahead of the 2024 Land Tax changes with our comprehensive guide, including updated thresholds, payment options, and key updates on principal place of residence exemptions."

# Getting ready for the Land Tax year of 2024

To gear up for the Land Tax year of 2024, we've put together key information that might prove helpful.

The Land Tax rate and thresholds for 2024 are subject to change annually. Previously, the Land Tax thresholds were officially announced on 15 October each year, however, recent legislative amendments have shifted this process, and starting from

now, the Land Tax thresholds will be disclosed in the Government Gazette on the first Friday of December each year. Specifically, the 2024 Land Tax thresholds were published on Friday, 1 December 2023.

It's important to note that Land Tax is applicable for the entire year following the taxing date of 31 December, with no pro-rata calculation being applied.

## So, are there new payment options for my Land Tax assessments?

Yes! The new payment options for the 2024 NSW Land Tax assessments allow taxpayers to either make a discounted full payment or establish an interest-free payment installment plan lasting up to nine months.

The payment choices include:

1. Extension of the initial notice of assessment due date from 40 days to 60 days.
2. Expansion of payment plan options from six months to nine months.
3. Clear delineation of payment options on the updated notice of assessment.
4. Introduction of SMS and email payment reminders.
5. The payment options are detailed in the 2024 NSW Land Tax Assessment Notice.

## Buying or selling a property?

### Land Tax notice of assessment

Issuance of the 2024 Land Tax notice of assessment commenced on Wednesday, 3 January 2024.

If you decide to request an early issuance of your notice of assessment and/or need to make changes to your land holdings, such as updating







your principal place of residency exemption, please follow these steps:

1. Log in to your MyServiceNSW account.
2. Update your Land Tax details.
3. Enter the property settlement date.

#### Land Tax clearance certificate – Section 47

To request a 2024 Section 47 Land Tax clearance certificate, you are now able to contact Revenue NSW Client Service Providers. Ensure that requests are made post-scheduling settlement and anticipate processing times of up to 10 business days.

At settlement, provide the purchaser with one of the following documents:

1. Section 47 Land Tax clearance certificate (vendor or purchaser copy) indicating a charge.
2. Copy of a notice of assessment (if the due date hasn't passed).
3. If the notice of assessment due date has passed, provide the Amount to Clear (ATC) or clearance quote.

Upon payment of the amount indicated on any of these documents, the charge on the land will be considered removed.

Important note: Obtaining a clear clearance certificate does not exempt the vendor from existing

or potential future liabilities; its purpose is to safeguard the interests of the purchaser.

#### Principal Place of Residence (PPR) exemption updates

Changes to the Land Tax Management Act (LTMA) 1956 now require individuals collectively using land as their principal place of residence (PPR) to have a minimum 25% ownership stake for the exemption. Those eligible before 31 January 2024, with less than a 25% interest, can claim an exemption for 2024 and 2025. The 25% ownership requirement starts in 2026. Owners acquiring property on or after 1 February 2024, without meeting this requirement become liable from the 2025 land tax year.



**Misty Kero**  
Partner  
PKF Port Stephens

"Meet our PKF Port Stephens team: dynamic, diverse, and dedicated to providing top-notch financial services with a friendly touch."

# Meet our Port Stephens Team

Introducing our PKF Port Stephens accountants, a dynamic group that stands out for their work ethic and approachable demeanour. Diverse in backgrounds and rich in expertise, our PKF Port Stephens team seamlessly blends financial acumen with a warm and friendly approach.

Our team is dedicated to ensuring that every financial aspect is handled with care. Navigating complex financial landscapes is our expertise, from tackling financial challenges to providing advice on budgetary concerns, our accountants consistently demonstrate their diverse skillsets. Our team goes beyond just delivering top-notch financial services. We aim to create an experience where our clients feel comfortable, informed and valued. PKF Port Stephens is now part of the much wider PKF community, and we're honoured to introduce them. Are you ready to meet the team? Experience financial expertise with a friendly face!



**Meet Teresa**  
Teresa Richardson |  
Partner

Teresa has been working in the accounting industry for over 30 years and holds a wealth of experience in accounting and financial advisory services. A Port Stephens local, Teresa has a passion for helping her clients and their families navigate their financial landscapes. Teresa is a Partner at PKF Port Stephens and describes her team as knowledgeable, diligent and fun!



**Meet Misty**  
Misty Kero |  
Partner

With over 25 years experience, Misty is a dedicated Certified Practicing Accountant who excels in small business structuring and startups. Beyond financial expertise, she offers personalised training, coaching, and a fresh perspective to ensure clients not only meet but understand their goals. Misty is your trusted partner for navigating finance and accounting across various industries.

## Meet Amy

Amy Goodwin | Accountant  
Amy is a seasoned financial professional with eight years of experience in the field of accounting. Known for a meticulous attention to detail and deep understanding of financial principles, Amy has built a reputation as a reliable and knowledgeable expert in the world of finance. As a results-driven accountant, Amy consistently contributes to the financial success of our organisation. She has a proven track record of streamlining financial processes, implementing effective cost-saving measures, and providing strategic financial insights to support decision-making at both the operational and executive levels.

## Meet Carly

Carly Everitt | Accountant  
Carly has been a steadfast presence in the team since the time she left school, marking an impressive span of two decades. During her time, she has gathered a wealth of knowledge, honed her skills, and navigated through the evolving landscapes of finance and accounting.

## Meet Kerry

Kerry Hyland |  
Team Coordinator  
Our Team Coordinator, Kerry has been a valued member of our team for the past 11 years. Throughout this period, Kerry has played a pivotal role in coordinating and optimising team dynamics. As a dedicated and experienced team member, Kerry is an invaluable asset to our organisation.

## Meet Rachel

Rachel Eltoft | Administration Assistant  
Rachel has been with our team for the past two years and is a vital part of our organisation's structure. She continues to contribute to the smooth operation of our administrative functions, making her a valuable asset to the team.

Ready to propel your future? Get in touch with Teresa and the PKF Port Stephens team today.

**PKF. Propel your future.**





# The Hunter Breast Care Breakfast raises \$49,661 to support The Breast Care Nurses

PKF Sydney and Newcastle, in collaboration with The Newcastle Herald and NEX, celebrated a major milestone as they hosted the 15th annual Hunter Breast Care Breakfast on 25 October, 2023. This sellout event brought together a remarkable 510 attendees, all united in their commitment to supporting the Hunter Nurse Education Group. The morning was a resounding success, raising over \$49,661 to ensure the nurses can continue their exceptional work in caring for those affected by breast cancer.

This outstanding achievement would not have been possible without the generous support of sponsors and raffle donors. PKF Sydney and Newcastle extends their heartfelt thanks to all the sponsors including, gold sponsors Colterlec and Hi-Vis Group, silver sponsors Vlnet, Sharp Office, HunterNet, Beam Bookkeeping, and Osborn Law, as well as bronze sponsors peoplefusion, Core Project Group, Skildare, Westpac, EV Consulting, and Solv'd.

Reflecting on the event's success, Simon Rutherford, Partner at PKF Sydney and Newcastle said, "The overwhelming support from our sponsors, attendees, and the community underscores the vital importance of our mission. We are deeply grateful for their generosity and commitment to making a difference in the lives of those affected by breast cancer."

The Fundraiser was first launched as a result of the tragic loss of the wife of one of PKF's partners after a battle with breast cancer. To date, the fundraiser has raised more than \$330,000 and has been commended in Parliament for its significant contribution to the community.

The funds raised at the Annual Breast Care Breakfast remain within the Hunter region and exclusively support the Hunter Nurse Education Group (HNEG). With the funds, the HNEG organises two full education days per year for nurses working with people living with breast cancer. These invaluable education days are extended free of charge and have been empirically shown to not only elevate knowledge and skills, but also change behaviours, attitudes and improve clinical outcomes.

The amount of knowledge required to take care of critical patients cannot be obtained simply through experience on a unit or at the bedside. PKF Sydney and Newcastle are committed to making a meaningful difference in the lives of those impacted by breast cancer and look forward to continuing their support for the Hunter Nurse Education Group in the coming years.





Daniel Clements  
Partner  
Superannuation

"Setting up an SMSF requires careful planning and adherence to regulations. Our checklist guides you through the process, ensuring compliance and safeguarding your retirement goals."



# Considering establishing an SMSF?

Setting up a Self-Managed Superannuation Fund (SMSF) requires careful planning and adherence to regulatory requirements. Here's a checklist to guide you through the process:

## Pre-setup considerations

### 1. Research and education

- Understand the roles and responsibilities of SMSF trustees.
- Educate yourself about SMSF regulations, investment options, and taxation implications.

### 2. Financial planning

- Assess your financial situation and retirement goals to determine if an SMSF is appropriate.
- Seek professional financial advice to evaluate the suitability of an SMSF for your circumstances.

## Setup process

### 1. Decide on your trustee structure

There are two trustee structures to choose from:

- Individual trustees: two to six individuals who act personally as trustees, or;
- Corporate trustees: a trustee company with one to six directors.

The number of individual trustees, or directors of the corporate trustee, will depend on whether your SMSF is a single-member or a multi-member fund.

It is generally recommended to use a corporate trustee due to the following advantages:

- Its long-term benefits, as a company continues even after the resignation or death of a director.
- A corporate trustee provides limited liability for the directors. This ensures litigation against the trustee of the SMSF is generally limited to the assets held in the name of the corporate trustee and does not extend to the directors (unless they are fraudulent in their duties).





- If an SMSF has a corporate trustee, ATO penalties for breaches of the superannuation law are imposed on the company and not each director. With individual trustees, penalties are imposed on each individual.

## 2. Engage an SMSF professional

Once the trustee structure has been determined, you will need to provide your SMSF professional with specific information for the setup, including:

- Proposed Name of Fund.
- Proposed name of the corporate trustee (if using a company).
- Director Identification Number for all directors (if using a company).

Once the SMSF professional has all the required information they will prepare the establishment documentation for signing.

## 3. Fund establishment

The SMSF professional will apply for a Tax File Number (TFN) and an

Australian Business Number (ABN) for the SMSF. This also registers the SMSF with the Australian Taxation Office (ATO).

Before the ATO issues a complying status for the new SMSF, they will complete their own checks. This process can take over four weeks and may include:

- Checking for any personal and associated entities outstanding ATO payments and lodgements.
- Checking the members taxation history and whether they are fit to be a trustee of an SMSF.
- Calling the members to check identification and to ensure they understand their responsibilities as a trustee.

## 4. Open a bank account for the SMSF

A bank account in the name of the SMSF needs to be opened. This is for managing contributions, investments and expenses. To open a bank

account the trustees will need to provide the bank with the original or certified copy of the trust deed.

## 5. Investment strategy

Develop an investment strategy that aligns with the fund's objectives, risk tolerance, and members' retirement needs. Document the investment strategy and review it regularly.

## 6. Initial contributions and rollovers

Once the bank account is established and the ATO has made the SMSF complying it is now time to transfer existing superannuation benefits into the SMSF bank account or make initial contributions.

Rollovers are processed electronically via a system called 'SuperStream'. Your SMSF professional can initiate this process but will require further information from you.

You should consider any existing insurance policies in your superannuation account before rolling over any money to the SMSF.

Rollovers should only take up to three days to occur, however, this could take longer due to additional information and identity checks required by the transferring fund.

## 7. Insurance consideration

Review the need for insurance coverage within the SMSF. Consider insurance options such as life insurance, total and permanent disability (TPD) and income protection.

As with any major financial decision, you should get independent, unbiased advice from a financial planner or professional. A good place to start is to contact the PKF SMSF specialist division.



**Bob Bell**  
Managing Director  
PKF Sydney and Newcastle

# History filming: Retrospect

It's not every day that one of the Hunter's largest leading accounting firms celebrates 45 years since inception, making this milestone even greater for the team at PKF Sydney and Newcastle.



In celebration of our rich history, February marked the launch of our mini-series 'Retrospect', which offers a nostalgic look back at our evolution from a small 20-person firm to our esteemed position today as one of the top 10 accounting and advisory firms in Australia.

This mini-series will feature 10 dynamic short videos that showcase PKF Sydney and Newcastle's remarkable journey towards growth, history, support for the local community, and commitment to technological advancement. Viewers can expect an insightful exploration of their achievements, culture, values, and commitment to their clients.

Additionally, four hero videos have been created that capture our 45 year history, as well as our commitment to culture, community, and adapting to technology.

In 1977, the PKF Sydney and Newcastle legacy began when Terry Lawler founded Lawler Partners, a small yet ambitious accounting practice in the heart of Newcastle and today stands together with a team of over 300 employees, where they celebrate diversity, equality, and inclusion. Beyond Business, they remain committed to contributing to local communities, supporting a range of charities and organisations through sponsorships, donations, and volunteering.

The 'Retrospect' series will be released periodically throughout 2024. Please join us on this nostalgic journey through our history, celebrating 45 years of growth, innovation, and excellence.







# PKF proudly sponsors Water Polo Australia's Professional Development Scholarship Program

PKF Sydney and Newcastle is thrilled to announce our second consecutive year of supporting the Professional Development (PD) Scholarship program. This program is aimed at benefiting current senior squad and National Age Group Program members, as well as senior squad members from the past two years.

The PD Scholarship program, proudly backed by PKF Sydney and Newcastle and WPA Alumnus Nick Falzon, seeks to provide athletes with professional development opportunities. These opportunities include pursuing university degrees, vocational courses, short courses or micro-credentials, virtual internships, registration or licensing, as well as covering expenses such as flights and accommodation to complete any of the above.

With a total funding pool of \$10,000, the scholarship aims to support athletes in their journey towards formal training that will enhance their career prospects post-elite sports. Nick expresses his excitement about collaborating with WPA on this initiative, emphasising the program's potential to empower athletes beyond their athletic achievements.

Nick states, "Our aim is that the PD Scholarship program will help the athletes in completing formal training which will help in leveraging a career after elite sport." He reflects on the proud tradition of water polo athletes excelling both in and out of the pool, citing his own inspiration from top players who achieved success not



only in sports but also in their studies and careers.

Last year's successful applicants, Matthew Brynes, Maddy Steere, and Lea Yanitsas OLY, are thankful for the support provided by PKF Sydney and Newcastle. Maddy Steere, who completed a digital media marketing course through the scholarship, acknowledges how it has "helped her take her business to the next level."

Matthew Brynes highlights "the added financial support in paying for his Bachelor of Commerce Degree, enabled him to focus more on training and competing for the Australian Sharks." He also emphasises the mentoring opportunity with Nick, describing it as a unique and invaluable aspect of the scholarship.

Reflecting on last year's caliber of applications, Nick is eager to see the diverse endeavours and talents that this year's applicants will bring. The application deadline for the PD Scholarship Program is December 22, 2023.

As PKF proudly sponsors the PD Scholarship Program, we encourage aspiring water polo athletes to seize this opportunity and apply for a chance to enhance their professional and academic journey. The program aligns with our commitment to supporting individuals in reaching their full potential, both in and out of the sporting arena.

We look forward to another year of contributing to the success of the water polo community.



Andrew Beattie  
Director  
Business Advisory Services

# Mark Hughes Foundation: Everest Trek

One of our values at PKF is community, giving back. It is a pillar of what we are built on. For me, and many others like me, this has mostly been by way of a financial contribution to many charities and not-for-profit organisations. Over the years, we have given hundreds of thousands of dollars. Now don't get me wrong, this is great, and it is so needed, but a few years ago when talking to my good mate, Mark Hughes of the Mark Hughes Foundation (MHF), it dawned on me that I could get more involved and have more impact by utilising the wonderful network I am a part of to reach more people and raise awareness of a worthy cause. And there is no cause more worthy than MHF's fight to defeat brain cancer.



Anyone that has heard Mark's story (if you haven't go to the MHF website and check it out) knows what I am talking about and I have no doubt is in awe of Mark and his wonderful wife, Kirralee, and what they have fought against and continue to fight. So, I asked Mark how I could get involved. I was thinking I could unpack beanies or help out at a store or host an event. All relatively normal suggestions I thought. But Mark and the MHF team don't do normal. Brain cancer sufferers don't get to do normal. So, after a quite a bit of self-talk, from 'you've got this' to 'maybe this is too hard' to 'you can't take the time away from work' and many other thoughts and emotions, I said yes to the challenge and the discomfort of climbing the highest single free-standing mountain above sea level in the world, Mount Kilimanjaro! To say

it was tough is an understatement, but there is something about helping others, pushing yourself and achieving that makes you want to go again and again. That was in 2019, and since then I have completed the MHF Top End challenge in Kakadu and in October last year, the pinnacle to date, I completed the Everest Base Camp Twin Peak Summit. Those three treks alone have generated great funding for MHF, with a combined total of over \$1.5m (my network personally contributed over \$110k! – unbelievable support) which allows them to achieve so much for those in need. But it has been the awareness we can bring to these causes that is worth so much more. Make no mistake, these challenges are just that, they push you to your limits, but the more I have leant into them, the more I have taken away. The personal learning is immense, and I have no doubt I have





grown each trek and been better for the experience.

The Everest trek was no different. So many takeaways to apply to life, and after spending time with some wonderful humans and with a little reflection, I have listed my ten things that leads to peak performance that hopefully you can get something out of too.

1. You're not alone, you will achieve much more as a team.
2. Being vulnerable lets people in and creates relationships.
3. Different is scary, but not wrong. Most of your limitations are psychological.
4. Be prepared. Start each day right.
5. Buy in to a common purpose bigger than yourself.
6. Focus on the journey not the destination and reap the real rewards.
7. Life is simple, don't overcomplicate it.
8. Practice gratitude. Recognise what you have and what you can create.
9. It's not a race. It's about achieving your purpose, continually learning and improving along the way.
10. Celebrate the successes. Not just the big things, but the little wins as well.

Giving back actually gives so much to you. There is no perfect time to get involved, no way of getting around the discomfort and yes, it will be hard. So what, these are all challenges that you will get past. Those in need, like brain cancer sufferers, don't get



to pick and choose. They must get on with it to get back to their peak performance. I have got so much more out of these treks than I have given and I have come to realise that 'Whether you think you can or you can't...you're right!'.





Phillipa Ngorima  
Systems Analyst  
Audit & Assurance

"Integrating third-party control assessment into financial statement audits is crucial in today's interconnected world."

# Cybersecurity as a cornerstone of sustainable supply chain practices



However, while onboarding third-party capabilities can optimise business operations, third parties come with their own set of risks and dangers. Therefore, integrating third-party control assessment into financial statement audits has become increasingly important.

Imagine this: You have undergone rigorous internal audits and your own processes gleam. But a single security breach in one of your supplier's systems exposes sensitive data, disrupts operations, and shatters customer trust. In 2024, with rampant cybercrime, complex global partnerships, and data privacy regulations tightening, ignoring supply chain security is a ticking time bomb. Forgetting your vendors' security posture is like locking your front door but leaving the back window wide open – a glaring vulnerability in today's digital storm.

The reality is that many businesses are oblivious to the hidden risks lurking in their third-party ecosystem. Weak vendor controls, insecure infrastructure, and unintentional data breaches can leave your financial data exposed and your reputation vulnerable. This isn't only

In today's interconnected world, your financial security rests not only on your own doorstep, but also on the shoulders of your trusted partners. These are the companies you rely on for crucial services like data hosting, IT infrastructure management, and beyond. To navigate the complexities of contemporary business environments, organisations increasingly rely on collaborative partnerships with third parties to fulfill essential service needs.

about protecting your immediate finances; it's about safeguarding your organisation's future.

And here's how businesses can take control of vendor-managed controls:

## 1. Leverage third-party security assessments

Evaluating vendor controls by leveraging IT expertise and implementing their recommendations can significantly improve the overall security of your organisation. Like vigilant scouts, they map your vendor landscape, pinpoint vulnerabilities, and recommend robust countermeasures. They act as shields against data breaches and cyberattacks, pave the path to compliance, and provide the cornerstone for trust-building partnerships.

## 2. Prioritise data security

Building an impregnable internal fortress won't suffice in today's hyperconnected world. Your success is ultimately tethered to the strength of your weakest link, including your partners. To be cyber-resilient data security should be weaved into any business' DNA and get the same from vendors. Integrating best

practices into vendor selection and management mitigates financial and reputational risk, unlocking secure and sustainable partnerships. Pre-screening vendors through security questionnaires, conducting risk assessments and utilising tools like SIEM platforms are key steps in building your cyber-fortress.

## 3. From trust to verification: proactive engagement

Blind trust is a luxury no business can afford. Real engagement goes far beyond checking boxes. It's about actively participating in vendor training, sharing security insights, and promptly addressing any concerns. By actively monitoring and mitigating risks, you can transform potentially vulnerable vendors into invaluable partners in building robust cyber defences.

Ready to build a resilient future where trust and security go hand-in-hand?

**Contact PKF today and learn how our integrated third-party security assessments can safeguard your financial data, fuel your growth, and position you for success in a world where resilience is the key to thriving.**





# Tax Diaries

## March 2024

### 21 March

- Due date for lodgement and payment of February 2024 monthly BAS.

### 31 March

- Due date for lodgement of tax returns for the year ended 30 June 2023 for:
  - Companies and super funds with total income of more than \$2 million in prior year (excluding large and medium taxpayers). Payment also due on this day.
  - Head company of a consolidated group (excluding large and medium), with a member who had a total income in excess of \$2 million in their latest year lodged. Payment also due on this date.
  - Individuals and trusts whose latest return resulted in a tax liability of \$20,000 or more, excluding large and medium trusts.

## April 2024

### 21 April

- Due date for lodgement and payment of March 2024 monthly BAS.
- Due date for lodgement and payment of March quarter IAS for head companies of consolidated groups.

### 28 April

- Due date for super guaranteed contributions for March 2024 quarter. Employers who do not pay minimum super contributions for by this date must pay the super guarantee charge.

### 30 April

- Due date to lodge TFN report for closely held trusts if any beneficiary quoted their TFN to a trustee in the March 2024 quarter.

## May 2024

### 15 May

- Due date for lodgement of tax returns for the year ended 30 June 2023 for all entities that did not have to lodge earlier and are not eligible for the 5 June concession. Payment due date for companies and super funds.

### 21 May

- Due date for lodgement and payment of April 2024 monthly BAS.
- Final date to add new FBT clients to client list to ensure they receive the lodgement and payment concessions for their fringe benefits tax returns.

## May 2024

### 21 May

- Due date for lodgement and payment of the 2024 FBT return if lodging by paper.

### 26 May

- Due date for lodgement of activity statement for the March 2024 quarter, if lodging electronically.

## June 2024

### 1 June

- Due date for payment of income tax for taxpayers for the year ended 31 December 2023.

### 5 June

- Due date for lodgement of tax return for the year ended 30 June 2023 for all entities with a lodgement due date of 15 May 2024 if the tax return is not required earlier and both of the following criteria are met:

- Non-taxable or a credit assessment in latest year lodged.
- Non-taxable or receiving a credit assessment in the current year.

- Due date for lodgement of tax returns for the year ended 30 June 2023 for individuals and trusts with a lodgement due date of 15 May 2024, provided they also pay any liability due by this date.

### 21 June

- Due date for lodgement and payment of May 2024 monthly BAS.

### 25 June

- Due date for lodgement and payment of the 2024 FBT return for tax agents if lodging electronically.

### 30 June

- Super guarantee contributions must be paid by this date to qualify for a tax deduction in the year ended 30 June 2024.

## July 2024

### 15 July

- Current due date for lodgement of income tax returns for taxpayers for the year ended 31 December 2023. Typically provided with automatic extension to 31 July.

### 21 July

- Due date for lodgement and payment of June 2024 monthly BAS.
- Due date for lodgement and payment of June 2024 quarter IAS for head companies of consolidated groups.

## July 2024

### 28 July

- Due date for super guaranteed contributions for June 2024 quarter. Employers who do not pay minimum super contributions for by this date must pay the super guarantee charge.

### 31 July

- Due date for lodgement of TFN report for closely held trusts if any beneficiary quoted their TFN to a trustee in the June 2024 quarter.

## August 2024

### 14 August

- Due date for lodgement of PAYG withholding payment summary annual report for large withholders whose annual withholding is greater than \$1 million.

### 21 August

- Due date for lodgement and payment of July 2024 monthly BAS.

### 25 August

- Due date for lodgement of activity statement for the June 2024 quarter, if lodging electronically.

### 28 August

- Due date for lodgement of taxable payments annual report (TPAR).

## September 2024

### 21 September

- Due date for lodgement and payment of August 2024 monthly BAS.

### 30 September

- Due date for lodgement of PAYG withholding payment summary annual report if prepared by a BAS agent or tax agent excluding large withholders whose annual withholding is greater than \$1 million.

- Due date for lodgement of Annual TFN withholding report 2024 if a trustee of a closely held trust has been required to withhold amounts from payments to beneficiaries.

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