



From the office of **Robert Latimer and Sitparan Gnanendran**
13 Diana Dve, Blackburn North, 3130 Ph (03) 9814 9333

Authorised Representatives and financial planners with Dover Financial Advisers P/L AFSL: 307 248
ABN: 87 112 139 321 Postal Address: 13 Diana Dve, Blackburn North, 3130 Email: info@partnerfinancialgroup.com.au

Federal Budget Wrap 2017

With so many superannuation and Centrelink changes in the last two Federal Budgets, it's easy to see how the latest budget seemed to have come and gone without too much controversy.



Nonetheless, here are a few of the main announcements and changes in case you may have missed them:

Downsizing & contributing to super

From 1 July 2018 the Government has proposed that people aged 65 and older will be able to contribute proceeds from the sale of their home to super – up to \$300,000 per person – so long as the home was a principal residence and owned for at least 10 years.

Pensioner Concessions Card

The Pensioner Concession Card will be reinstated on 9 October 2017 for those who lost their Age Pension following changes to the pension asset test from 1 January 2017

First Home Super Saver Scheme

From 1 July 2017 first home buyers will be able to make voluntary contributions to super and withdraw them, along with associated earnings, to purchase their first home. Withdrawals will come into effect from 1 July 2018. Contributions will be taxed at the client's marginal tax rate, with a 30% offset applied. Existing contribution caps will apply, however withdrawals will be limited to a maximum of \$30,000 with "associated earnings" assumed to be 4.78%pa. (as they say—"see store for details")



Medicare levy

The Medicare Levy will increase from 2.0% to 2.5% from 1 July 2019 in order to ensure the National Disability Insurance Scheme (NDIS) is fully funded.

Major banking levy

From 1 July 2017 a major banking levy (not a tax) will be "levied" at a rate of 0.06% on selected banks. (Authorised Deposit-taking

Residential rental properties

Tax deductions for travel expenses related to inspecting, maintaining and/or collecting rent from residential properties will be discontinued from 1 July 2017; as will depreciation on existing plant and equipment for purchases from Budget night.

Liquid Assets Waiting Period

The maximum Liquid Assets Waiting Period will increase from 13 weeks to 26 weeks from 20 September 2018.

Higher Education Loan Program (HELP)

From 1 July 2018 the Income Threshold at which HELP debts become repayable will reduce from \$55,874 to \$42,000. The repayment rate will also increase from 4% to as high as 10% for those earning more than \$119,881pa.

Foreign Property Investors

The Government has made a number of changes in relation to foreign investors owning residential property. These include:

- A charge of at least \$5,000 when a property is left unoccupied for more than 6 months per year.
- Removal of the CGT main residence exemption for foreign and temporary tax residents
- Increasing the CGT withholding tax rate to 12.5% and reducing the threshold to \$750,000.
- Foreign investment in new developments will be capped at 50%.

Energy Assistance Payment

A One-off payment of \$75 for Single pensioners and \$125 for Couples will be made to assist with meeting the rising cost of electricity.



Source: FPA Magazine, June 2017

Home & Business Loans

- plus refinancing & project analysis -

You, or a family member, wanting to refinance the home or investment loan? Maybe you are thinking ... "everyone else seems to have an investment property, maybe I should too" - well, it might be time to have a chat. We can guide you through the decision making process and even arrange the best loan on your be-



Age Pension Age

Those born on or after 1 July 1952 will need to be aged 65½ before being eligible and the Age Pension will then go up by six months every two years until 1 July 2023, when the Age Pension eligibility age will be 67.



Small business changes announced in the 2015-16 budget are now law. The following changes apply from 1 July 2016:

- 27.5% company tax rate for small businesses. The maximum franking credit that you can allocate to a frankable distribution is also 27.5%. If you have lodged early, see below for more information.
- 8% small business income tax offset (up to \$1,000) limited to businesses with a turnover of less than \$5 million. It applies only to business income for sole traders, or share of business income for partnerships or trust
- \$10 million small business turnover threshold (previously \$2 million). This means more businesses can access a range of small business concessions, including the \$20,000 instant asset write-off and reduced com-

You can quote me ...

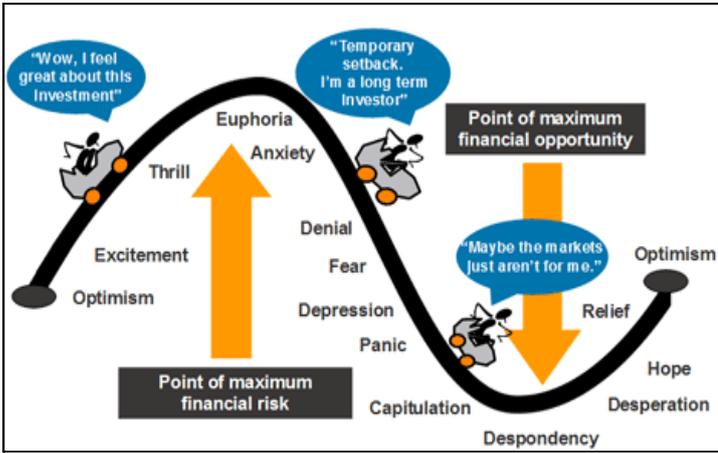
"It ain't what you don't know that gets you into trouble. It's what you know for sure that just ain't so." **Mark Twain**

"Information is not knowledge, knowledge is not wisdom." **Frank Zappa**

"An investment in knowledge pays the best interest." **Benjamin Franklin**

"Investing is simple. It's the financial industry that works hard to make it complex!" **Robert Rolih**

"Saving is a great habit, but without investing and tracking it just sleeps." **Manoj Arora**



The roller coaster of investor emotion

"Investing is the intersection of economics and psychology."

Seth Klarman

... asset prices rarely reflect some rational fundamental value. Instead, the influence of various behavioral biases on thousands and millions of investors will often act to push prices well away

**New addition to the team
Welcome Sheila!!**



We are excited to announce that Sheila Chua has joined our team. Sheila will work closely with Kristina to support our growing office. Sheila joins us after spending many years in a medical practice.

Sheila is originally from Malaysia and has travelled extensively, thanks to her father who worked for an Airline. Sheila graduated in Australia, before moving back to work in the hospitality industry for many years across Singapore and Malaysia.

When she finally decided to settle down, Sheila chose to move back to Australia to raise a family. She is happily married and is the proud mother of two teenagers. In her free time Sheila loves to cook for the family and expanding her international culinary skills.

Songs of the sixties for those in their sixties and more ...

Have you heard some of the artists of the 60's are revising their hits with new lyrics to accommodate aging Baby Boomers. Including:

Herman's Hermits Mrs. Brown, You've Got a Lovely Walker.

The Bee Gees How Can You Mend a Broken Hip.

Johnny Nash I Can't See Clearly Now.

Paul Simon Fifty Ways to Lose Your Liver

The Commodores Once, Twice, Three Times to the Bathroom.

Willie Nelson On the Commode Again

Leo Sayer You Make Me Feel Like Napping.

Tony Orlando Knock 3 Times On The Ceiling If You Hear Me Fall.

Helen Reddy I Am Woman, Hear Me Snore.

Leslie Gore It's My Procedure, and I'll Cry If I Want To.

The 5 essential mindsets you need to succeed in business

- 1. Learning to say no** Success is often built on a reflex habit of saying 'yes' to opportunities or requests that come our way. If you say 'yes' and can't follow through — then you inevitably let people down. Learning to say 'no' in the right way will accelerate your success.
- 2. Less is more** There's a common misconception among business owners and entrepreneurs that by doing more work, they become more successful—the opposite is most often the case. Most business owners end up majoring in minor tasks that have minimal or zero financial or emotional return to them or their business. Don't fall into the trap of equating success with the biggest to-do list: less is more.
- 3. Investment, not expense** There are two different mindsets you can have when you look at costs: expense or investment. An expense mindset means having a short-term outlook and seeing everything purely in terms of dollars spent. When you look at decisions with an investment mindset, you open yourself and your business up to a whole new world of possibilities. Often business owners who adopt an investment mindset are clear about where they are going: they are moving forward towards their goals and are strategically growing their business, rather than letting their fears hold them back.
- 4. The 80/20 principle** This states that a minority of causes, inputs or effort usually leads to a majority of the results, outputs or rewards. Taken literally, this means that, for example, 80 per cent of your results come from 20 per cent of your efforts (and conversely, the other 20 per cent of results come from the other 80 per cent of efforts). Understanding this principle can assist in prioritising effort and time management.
- 5. Don't sweat the small stuff** All of the decisions a business owner makes can be put into three categories: minor, major and mega decisions. It's important NOT to get bogged down in the minor day-to-day decisions leaving no time and creativity for the major and mega decisions.



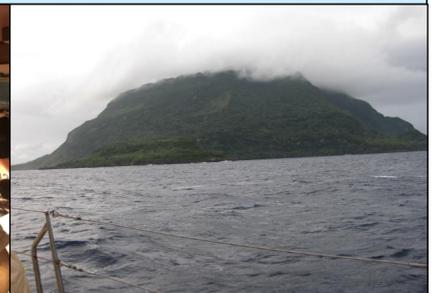
Vanuatu Mission 2017



A big thank to everyone who donated caps, clothing, flippers and snorkels for the work Partner Financial Group supports in Vanuatu — Medical Sailing Ministries.

Robert is now aboard the yacht Chimere in preparation for the start of the first medical transport mission amongst the southern islands of the country. Keep track of the mission activities by reading the daily Ships Log at www.msm.org.au

or on the MSM Facebook page. You might also consider joining the 11 day "Supporters Tour" to Vanuatu, October 6-16. Book direct with Ari, at Excuse2Travel reservations@excuse2travel.com.au Ph **0403 641 505** .



Above: Rob aboard the boat in Vanuatu and the island of Futuna; to be visited soon

This Update newsletter is designed to provide information of a general nature only and should not be taken as advice or a recommendation to invest. Whilst every care has been taken to ensure the accuracy of the enclosed information, no warranty of reliability or accuracy is given. Before making investment decisions we suggest you consult your financial planner or adviser.