



from the office of **Robert Latimer**

13 Diana Dve, Blackburn North, 3130 Ph (03) 9814 9333

Authorised Representative and financial planner with Dover Financial Advisers P/L
AFSL: 307 248 ABN: 87 112 139 321



As we approach our second Christmas in the new Blackburn North office we look back on a very busy and productive 2014.

Again, thank you so much to those who have referred friends and family for financial planning assistance. Word of mouth is really our only form of marketing

and as everyone says—the very best way to grow a business. As you will no doubt be aware, after five years as part of the team, Chris Foster left us in September to pursue his long-time interest in accountancy. And whilst there were a few days of uncertainty there, as we mounted the search for the new office manager, in the end Kristina made our job easy, coming as she did with so much industry experience, plus a diploma of Financial Planning. We are really thrilled to have found Kristina and no doubt you will get a chance to speak with her soon. In this busy time, leading up to Christmas and in the following few weeks, may it be a safe and joyful time for you.

Warmest Regards — Rob, Kristina & Linda

Giving Tree



Thank you once again to everyone who has placed a present under the office tree again this year.

I've included a note from Children's and Families' Ministry Coordinator at North Ringwood Uniting Church, Trevor Vernon ...

Families' Ministry
Coordinator at North Ringwood Uniting Church, Trevor Vernon ...

"At this time of year a lot of families are doing it tough in and around the area of North Ringwood. Once again the donations of food items and toys has been wonderful. Some of the North Ringwood Care clients with young

families are struggling with utility costs. They are so grateful as they leave with arms full of food supplies to feed their household this Christmas.

When they are offered the choice of a small toy for each of their children, the silence, the tear in the eye says it all. How humbling it must be, being offered toys, for you to give to your own children on Christmas day!

Thank you so much to everyone who provided toys this year. You will never know what a difference it has made.



Trevor Vernon

Children's and Families' Ministry Coordinator
North Ringwood Uniting Church.



China Free Trade Agreement

As they say ... "There's no such thing as a free lunch", or to put it another way ... "if you think you're getting something for nothing, it could just mean the bill hasn't arrived yet ..."

So how **"free"** is the China-free-trade-agreement? After 10 years of negotiating it seems most commentators are giving this agreement a big tick, with 93% of exports to China being tariff-free in four years.



Prime Minister Abbott shows President Xi Jinping around

Once the communist threat from the north, China now imports more than \$85 billion worth of Australian resources, energy and manufactured goods in 2013 and they are our largest market for pharmaceutical companies, importing \$559 million last year, with China's ageing population offering a huge opportunity. China is shifting from an industrialised nation to a consumption nation, meaning there will be greater demand for education, tourism, as well as hospitals and aged care; a sector in which Australian providers can now establish wholly-Australia owned hospitals and profit-making aged-care institutions. Australia exported close to \$7 billion worth of services products in 2013.

China has granted Australia a Renminbi (local currency) quota which will allow Australian financial institutions to invest offshore Chinese currency in Chinese financial products, including securities. Australia will have access to the financial markets of one of the world's most powerful economies as it finally begins to liberalise its economy.

In addition to tariff reductions some additional features are summarised below:

- Australian law firms will be able to establish commercial associations with Chinese law firms in the Shanghai Free Trade Zone
- A further 77 institutions will be added to an existing 105 Australian education providers that can take overseas students
- Australian service providers can construct, renovate and operate whole Australian-owned hotels and restaurants in China
- Australian insurance companies will have access to China's third-party liability motor vehicle market.
- Waiting period for Australian banks to engage in local currency, Renminbi, cut from three years to one year
- Australian securities brokerage and advisory firms will be able to provide trading accounts, custody, advice and portfolio management to Chinese investors allowed to invest offshore
- The threshold for private, non-state-owned, investment from China in non-sensitive sectors to go to the Foreign

- Investment Review Board will increase from \$248 million to \$1.08 billion, however the Australian government will screen investments over \$15 million in telecommunications, media and defence industries and in agricultural land, as well as investments in agribusiness over \$53 million

Based on SMH, 17/11/14, Max Mason

Where are you now Dan ?

I believe we are on an irreversible trend toward more freedom and democracy - but that could change. [Dan Quayle](#) 5/22/89

Verbosity leads to unclear, inarticulate things. [Dan Quayle](#), 11/30/88

Christmas Office Hours

The office will close at 12:00 noon on Wednesday 24th December and will re-open at 9:00am, Monday 12th January 2015.

Gap Year, or Retirement Gap ?

Consultants Rice Warner, calculate that Australia has a "retirement savings gap" of \$727 billion — or \$67,000 per person. This gap is defined as the amount of **extra** money needed to provide a "reasonable" retirement lifestyle for the life expectancies of Australians. The reality is that half of us will live beyond our life expectancy. And it should be emphasised that Rice Warner's savings gap takes into account the Age Pension.

Given the figures are accurate and assuming we have the capacity to do something about it, our options include:

- Pretending it doesn't affect me and adopting the "she'll be right" approach
- Put off doing anything until "tomorrow"; which of course never comes
- Secretly believe in magic; or winning tattsлото
- Make some tough changes, imposing a new regular, disciplined savings strategy, eg salary sacrifice super

Source: by Robin Bowerman, Vanguard Australia.

Are Australians too careless with their financial security?

Very few Australians fail to insure their car, their house or their home contents. Why then do so few of us adequately insure our lives and our incomes?

The harsh reality is that if the typical Australian family suffers a serious illness, injury or death of one income earning parent, they will lose half or more of their income – a devastating personal and financial situation.

We have known that Australians chronically underinsure their lives for some time.

Thirty-five per cent of working Australians have no disability insurance cover and 19 per cent of families have no life insurance protection at all.

The result of underinsurance is a terrible personal and economic cost for individuals, families and the government.



The cost to the government of welfare payments to households without adequate disability insurance is \$304 billion per annum. And that's just to provide a basic disability pension – not to replace people's real income. So why don't people insure their lives the way they insure their car?

New research provides insights into what motivates people to take out life insurance and more importantly what motivates them to remain uninsured or underinsured.

The research shows that protecting their financial future is important for working age Australians with 19 out of 20 confirming it is a priority.

And less than half of Australians make a plan for events that would require life insurance.

Only one in four Australians understand that "life insurance" also means "income protection insurance".

And a startling one in four believes that no-one needs income protection insurance.

There is a clear disconnect between recognising the potential for income loss and its implications, and taking action to protect against such income loss.

As a community, we can't rely on "she'll be right" and we're not indestructible. We must change our attitude towards risk and insure our lives adequately.

John Brogden, MLC, 6 May 2014

Safe as houses?

One of the country's most senior bankers, ANZ chief executive, Australia, Phil Chronican has raised concerns about an "irrational obsession" with property investment, calling for a frank debate about tax distortions that pump up house prices.

He could understand why the Reserve Bank was looking at imposing restrictions on lending to property investors. With record low interest rates fuelling a powerful property boom in Sydney in particular, regulators were concerned some investor borrowers might be overstretching themselves as they bet on price rises.

The federal government's financial system inquiry, reporting to Treasurer Joe Hockey this month, had also said the surge in home loan debt in recent decades posed a potential "systemic risk" to the economy.

In an interview with Fairfax Media, Mr Chronican said he was worried some investors viewed buying property as a "one-way bet".

The nation would benefit from a debate about the favourable tax treatment for investing in property and a better understanding of the risks involved, he said. For many investors, they would be better off in assets other than housing. A key reason for the popularity of housing investment was the tax distortion created by allowing investors to deduct interest payments against other forms of income, he said.

Source: SMH, Clancy Yeates, 3/11/14



Tariff

A tax imposed on imported goods and services. Tariffs are used to restrict trade, as they increase the price of imported goods and services, making them more expensive to consumers. A specific tariff is levied as a fixed fee based on the type of item (e.g., \$1,000 on any car). An ad-valorem tariff is levied based on the item's value (e.g., 10% of the car's value). Tariffs provide additional revenue for governments and domestic producers at the expense of consumers and foreign producers. They are one of several tools available to shape trade policy.

www.investopedia.com

Economic Girly-man

A pejorative term first made famous by former California Governor Arnold Schwarzenegger in 1988 to characterize weak opponents seemingly unable to make tough decisions. Humorously used again recently by Australian Finance Minister, Senator Mathias Cormann, during an otherwise dry budget discussion in reference to Opposition Leader Bill Shorten. In making the Girly-man reference Mathias Cormann was also sending up a send-up of himself, as seen on the ABC comedy show, Shaun Micallef. For more information search "Darius Horsham — age of entitlement is dead — and plucking the goose that lays the golden eggs"

Based on article by Janine Perrett & Wikipedia



Buying a Mazda?

If so, then Ringwood Mazda Assistant Sales Manager and long-time client of Partner Financial Group will not only give you an



amazing deal, he's also arranged \$500 of free Mazda accessories for every client referred by us — over and above any other promotion.

Above: The world's tallest man, Sultan Kosen, at 8' 9", met the shortest man, Chandra Dangi, at 1' 9" foot 9 inches in London on 13 November 2014.



Let sleeping dogs lie...

Who said the inter-web is just full of cute pictures of cats and kittens ... there are dogs as well.

