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Winter 2008 Newsletter

WHAT'S HAPPENING—A WORD FROM CHRIS

Sometimes it's nice to talk about oneself particularly when it is regarding my own business.

It is with great pleasure that I congratulate and welcome my PA, Babette to her new role as a Financial Risk Advisor. Babette has been studying very hard over the past 3 years and has now completed her "PS 146" Compliance. This means that she is able to talk to our clients in an advisory role, focusing mainly on Insurance. So should you have any insurance questions, please, give Babette a call or set up a time to see her.

Babette has also been working on ways to allow us to offer you, our valued client, a further service in regards to completing personal tax returns. We now have a relationship with UHY-Haines Norton CA Accountants to authorize Individual tax returns which Babette will be preparing. Babette has extensive experience in

she was previously employed by H & R Block for 4 years. This is a new service and we feel that it will help many of our clients to use us as a "one stop shop" to save money.

The cost of this service will be negotiated depending on your personal circumstances— please phone Babette to book your appointment.

This brings me to our newest member of the team, Peta, who will be stepping into Babette's role over the next month or two. Peta has been looking after the administrative side of the business, therefore many of our clients would have already spoken to her.

Peta's role will be a Personal Assistant to myself and focusing on her initial studies with Diploma of Financial Planning 1. Being on the front line is not always easy, however Peta handles this particular role very well, with a courteous manner and I believe Peta is really up to the challenge of furthering herself as my personal assistant

As you can see from the photograph, we now have the company cars sign written with a new style logo. It had been decided that our previous old—style logo needed to be brought into the new century— you will notice that all our literature will be changing over the coming months.

So, if you have any questions or concerns regarding your financial situation or Life Insurance circumstance please phone us—your call is always welcome.

Chris Harris



Our New Money Works Logo on Chris' and Babette's car.

Myself. Well, not much has changed here. I am still watching market conditions, speaking to fund managers and economists, strategists of Life companies and most of all talking to you— our valued client.

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What is a Reverse Mortgage Or Senior Equity Release Loan?

Reverse Mortgages or Seniors Home Equity Release Loans are an increasingly popular and practical way for people 60 years and over to borrow against the equity in their home or investment property Australia wide. A Reverse Mortgage is a loan, but unlike other loans it does not require any repayments during the life of the loan. The loan is repaid when you either permanently move out of your home, move into ongoing aged care or upon death.

– additional income to enjoy yourself, home re-

You can receive your money in a variety of ways - as a Lump Sum payment, a monthly payment direct to your bank account, or a combination of both options to suit your situation.

It is your choice. If you have a current mortgage or loan on the property, this will need to be paid out from the proceeds of the Reverse Mortgage loan leaving the surplus available to you. You can use your money anyway you wish

pairs, health care, holidays, to help your family, to buy a new car or pay out existing debts, credit cards - your choice.

Please feel free to call Vicki Harris on 8338 3212 to discuss this or any other loan enquiry you may have. **Please remember** there is no obligation and we are pleased to offer this service to you as a Money Works client

By Vicki Harris

MONEY WORKS

#mortgagerelief



“How Quickly Markets Can Change”

I started writing this article approximately 1 month ago. I was discussing the international markets and at that time, certain fund managers were looking at the 1 year forward price to earnings multiples at being very low and very encouraging. What that means is, the price of an investment divided by the income or dividends of that same investment were low. So it appeared this was a great time to invest back in the international market, a good time to look at the U.S. again.

However the facts were not correct and we are still seeing heavy losses from US markets, mainly due to the sub prime issues and oil prices.

Since the beginning of June we have seen the DOW come off some 8 or 9%. At the time of writing this article the DOW has dropped below 12,000 points (new 3 months lows). Escalating worries about financial and automotive sectors and a rebound in oil prices.

So what now? From my earlier comments we realise again how quickly things can turn around. Sometimes it's important to just wait and see what markets are telling us.

I feel that this trend with the US will continue with the DOW falling – which of course will have an effect on our own market. Our market is far more buoyant with our strong resource sector to recover from any major falls.

Naturally I am only discussing the short term. At this volatile stage I believe the focus is on our own markets because I feel that this is where we can see growth particularly over the short term.

Stocks like BHP, Fortescue etc are showing very good “signs of value.” This does not mean that I am recommending that you go out and purchase these, this is merely an observation that our resource market looks good for the long term i.e. 7 yrs plus.

What to do now?

Firstly, don't panic, all this does is create worry and fear. We need to stay with our original plans and strategies and to wait this out. Secondly, is to see me if you do have any concerns. If you have grave concerns over future losses and current issues then there are ways Money Works can help.

Markets will come back up in time and we must not forget the past growth we have had over the last 4-5 years in the Australian market. At this stage we are 6-7 months in the “Bear Market,” (a market that shows negative growth returns). There is always opportunity in these conditions. Please feel free to call us, we welcome your call.

Regards, Chris

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*Pictured below:
At St Peters Fair, Money Works little helpers with Chris handing out promotional brochures.*



So, you think it will never happen to you...

One in every five cancer deaths is caused by **cigarette smoking**.

Cardiovascular disease is the leading cause of death and disability in Australia, **accounting for 38%** of all deaths.

One in 11 Australian women will develop **breast cancer** by the age of 75.

Around 11,300 new **bowel cancer** cases are diagnosed every year. The disease claims around **4600 lives** each year.

One in four men and one in six women suffers from **depression** at some time in their life.

One in 10 deaths recorded in 2001 was caused by respiratory system disease or failure.

In 2002, **7,820 deaths** were recorded as **accidental deaths**, and is the leading cause of death for those under the age of 45.

Around **48,000 Australians** have a stroke each year, which equates to a stroke occurring **every 11 to 13 minutes**. Stroke is one of the leading causes of long term disability in adults.

Each year about **12,000 people** who have previously had a **stroke** suffer another stroke.

More than **four in ten** Australians who have a **heart attack** will die within a year. More than half of these deaths occur before the person reaches the hospital.

Every working Australian has a **1 in 3 chance** of becoming **disabled** for more than 3 months before turning age 65.

Around **10,000** new cases of prostate cancer are diagnosed in Australian men every year and around **2600** die from it.

It is expected that **one in three men and one in four women** will be diagnosed with a **malignant cancer** in the first 75 years of life.

Article by Zurich Australia Ltd

www.zurich.com.au

**... but what if it did,
Are you and your family protected?**

“Life’s risks can have a dramatic impact on you and your family, speak to (us) today about reducing their financial impact through a personal risk management plan”

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2008-2009 Federal Budget at a Glance

Executive Summary

- All taxpayers will benefit from a further \$47 billion in tax cuts
- From July 2008, the 30% threshold will rise to \$34,000, 40% threshold to \$80,000 and the 45% threshold to \$180,000.
- The government aims to reduce marginal tax rates to three thresholds over six years
- The low income tax offset will increase to \$1,200 from 1 July 2008, \$1,350 from 1 July 2009 and \$1,500 from 1 July 2010.

- The senior Australian Tax Offset income thresholds will be increased together with the Medicare levy low income thresholds.
- The Medicare Levy and Medicare Levy surcharge thresholds will be increased.
- Changes to eligibility for certain tax offsets including dependency tax offsets and entrepreneurs' tax offset.
- First Home Saver Account will be introduced.
- Education Tax Refund will be introduced.

All existing * **“Money Works Program clients”** will have the option of having their * standard tax return prepared free of charge, however please note that Tax returns with investment income or more complex returns will require additional payment will be quoted on an individual basis.

** please note that a standard tax return is a return that only has PAYG income and a few deductions*

** only clients participating in our personalized “Money Works program” are eligible for standard tax returns prepared free of charge.*

- Changes to the definition of income for eligibility for certain tax concessions.
- Carer Bonus for recipient of Carer Payment and Carer Allowance.
- Increases to the utilities, senior and telephone allowance.
- Means testing and an increase to the Baby Bonus.
- Changes to definition of income for Commonwealth Seniors Health Care Card.
- Members with a terminal illness will be allowed to receive superannuation benefits tax-free from 1 July 2007.
- A Superannuation Clearing House facility will be introduced.
- Payment of superannuation for temporary residents to the ATO.

Article by Zurich.

Disclaimer

The information provided in this newsletter is of a general nature only and does not constitute financial advice or a recommendation. Please seek expert advice from a qualified and experienced Financial Planner or accountant or other professional, prior to making a decision on your financial situation. Detailed information on our services and fees is provided in our Financial Services Guide, which is provided prior to or at the first consultation and is also available on request.