

## New Financial Year



**Welcome to another financial year. What will it bring, higher interest**

**rates, lower interest rates, a new Federal Government, higher household debt, a housing decline? I predict more prosperity!**

From a regional perspective the Sunshine Coast is set to grow even more, shaking any commentators negative writings about the area. You see it's all in the demographics; people just keep coming here, increasing the demand for properties and goods and services. This will also increase business opportunities.

Moreover the recent Queensland Government budget has clearly put the Sunshine Coast on the Government radar bringing more joy. Our infrastructure will receive a huge boost in the next four years with funding for roads, hospitals and universities and other long awaited projects. My tip is keep investing in the Sunshine Coast, particularly in business opportunities. Wealth creation awaits you.

*Chris Greenfield*

## 2 for the price of 1 = VALUE FOR YOUR MONEY

**Two young and enthusiastic business brokers have joined forces to offer business owners an alternative to the standard way of selling their business. Kieran Nolan and Mick Vanstone have put their young heads together and decided there is a need to offer vendors more value and efficiency in respect to the marketing and sale of their business.**

Kieran and Mick believe two heads are better than one. This concept is unique in an industry where normally the approach is one on one. Kieran and Mick pair their resources and contacts together to offer a superior service to each and every client. "Vendors are usually unaware, until they decide to

take their business to market, how much time and commitment is necessary to end up with a positive result.

We believe with two professionals concentrating on one client, we have the time and commitment to leave no stone unturned to achieve the finest result for our vendor. In short, this means the highest possible price in the shortest amount of time with the least amount of hassle". In this day and age, consumers are becoming more and more focused on value for their money. Business owners are no exception. "We can offer a superior service for the same financial outlay as they would if they hired one broker to look after their file". So all in all, when the time arises that you have decided to sell your business, there really is no decision to make in respect to



who you should hire to do the job. Kieran Nolan and Mick Vanstone = Best service & best value for your money. Call the guys to find out more, how they can best service you.

*"Dear Kieran & Mick, We would like to thank you for the very quick sale of our business, In2 Puzzles. We felt that you both handled this sale in a very professional and efficient manner, keeping us informed at every instance, which was very important to us."*

## Next FREE Seminar – Wednesday, 15th September - Maroochydore Cinemas

Please everyone mark this date in your diary as no one can afford to miss out on this informational seminar regardless if you are self employed, employee, home

owner, share investor, property investor or simply starting out on a savings plan. Most people neglect the need to have their own "personal plan" in place to help them achieve their

goals. We would like to show you how you can do things the best way for you which may or may not include the traditional "Buy, Hold, Diversify" way of investing in your future.

### Encompass Business Sales

2-4 Ocean Street (Cnr Duporth Ave) Maroochydore Q 4558 Fax: (07) 5443 8520

**Telephone: (07) 5479 1234**

## Happy New Financial Year!!!



**Has anyone made any new year resolutions concerning their financial well being?**

There is no better time to start planning than at the beginning of the financial year to ensure by next tax time you have things in total control.

I urge everyone to read the adjoining article written by Bruce Hume as it has some serious ramifications both to those who are planning on retiring soon as well as those who still have time to plan for their retirement.

A lot of us here on the Sunshine Coast have had a considerable increase in our wealth through our property prices increasing so we need to capitalise on that benefit and use the equity wisely. A lot of people think that you need to have a lot of money to warrant having a financial plan prepared however that is definitely not the case. Probably the opposite when you think about it.

We are continually looking at ways to increase our level of service to you our valued clients so please take advantage and don't hesitate to book a free consultation if you would like to discuss any issue at all.

Hope to see you soon.

*Sharon Garland, CPA, CFP*

# Market-Linked Pensions & The Assets tests Changes

**On budget night the Treasurer announced radical changes to Complying Income Streams and Assets Tests. These changes have potential ramifications on future retirees.**

Presently there are 2 types of income streams on the market

**1) Complying Income Stream** such as an annuity which pays a series of regular payments back from a lump sum investment. The term of the pension is established at the commencement of the pension and can be payable either for life or for a term based on the life expectancy of the recipient. There is no residual capital value at the expiry of income payments and the size of income payments are fixed. They are currently 100% assets test exempt for Centrelink, age pension purposes.

**2) Non-complying Income Streams** such as an Allocated Pension also pays a series of regular payments back from a lump sum however it has the added flexibility to enable lump sum draw downs if necessary. Should the original pensioner die before the capital sum is exhausted the balance can

be passed on to their spouse or to their nominated beneficiaries. Non-Complying income streams are assessable under the Asset and Income Test.

A 3rd choice will become available to retirees who retire on or after 20th September 2004. This type of product will be known as a Market Linked income stream of "Growth Pension".

Market-linked income streams will broaden the choices for retirees.

- It has features similar to both complying and non-complying products
- It combines investment flexibility of an allocated pension with the tax & Centrelink benefits of a complying pension
- All super funds including DIY funds, will be able to provide this income stream
- As a complying pension, market linked pensions are eligible for the higher pension reasonable limit of \$1,176,106.00 and for a 50% asset test exemption
- More flexible terms

However, although the Government is giving in one hand it is potentially taking away with the other. The



introduction of market-linked pensions in September coincides with the reduction in the Asset Test exemption for complying income streams from 100% to 50%.

This will have significant ramifications for new retirees who wish to qualify for Centrelink Aged Pension Benefits. There is a window of opportunity for certain retirees to take advantage of the present rules before the change becomes permanent and for those who have time to plan they need to realise that it is continually going to get harder to qualify for a pension and we all need to consider our retirement strategy.

*Bruce Hume Financial Planner  
Authorised Representative of  
Encompass Professional  
Services. AFSL No. 226464*

### Encompass Professional Services & Head Office

Ground Floor, Catalina Resort, 47 Sixth Avenue, Maroochydore Q 4558 F: (07) 5479 0047

**Telephone: (07) 5479 1234**

E: [admin@encompassgroup.com.au](mailto:admin@encompassgroup.com.au) W: [www.encompassgroup.com.au](http://www.encompassgroup.com.au) Australian Financial Services License (AFSL) 226464  
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