



Update

DECEMBER 2009

from the offices of **Cameron Darnley, Gray Foreman & Robert Latimer**

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Wishing you a safe & joyful Christmas

From all of the Hillross team, may you and your family have a safe and joyful Christmas. This time of year provides us with an ideal opportunity to pass on our thanks for your business and the trust you have placed in our financial planning service.

Up until recently the **GFC** would only have referred to the footie team that won this year's AFL flag. But 2009 cemented another **GFC** in our collective consciousness as we each managed the many challenges presented by the aptly named Global Financial Crisis. Against the backdrop of an almost constant stream of bad news, for many it was something of a reality check as the simple things in life, including relationships, family and community gained renewed importance.

Around the office, Alana's move to Torquay saw her leave us in November after three great years of service. Cameron finally got himself married and Gray became a dad. Monica and Cheri continue to do a wonderful job in the front office and Robert took long service leave to realise his long held dream of sailing the South Pacific while doing some good in the world.

In breaking news, Chris Foster joins us to fill the vacancy left by Alana, welcome aboard Chris.

Once again, thank you and Merry Christmas

from us all ...

**Cameron, Cheri, Chris,
Gray, Linda, Monica,
& Robert**



Congratulations

Cameron & Kirsty, married 24/10/09. It was a glorious Spring day and the smiles say it all.

Christmas Office Hours

The Hillross Burwood East & Ivanhoe offices will close at 12:00 noon on Thursday 24 December and reopen on Mon 4 January 2010.



GIVING TREE

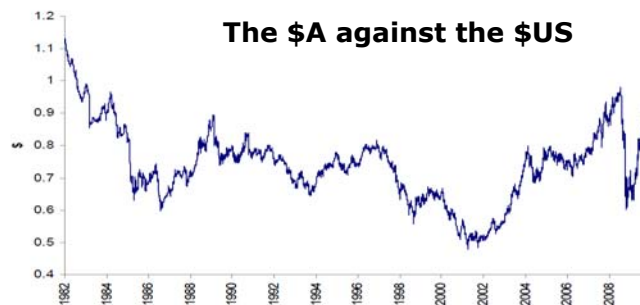
Toys for children in need will again be collected this year under the office Christmas tree. If you get a chance why not pop in and drop one off. No need to wrap them.

(All toys distributed through the North Ringwood Uniting Church Community Care.)

Rollercoaster Aussie \$\$\$

The one certainty about the Aussie dollar is that it's extremely difficult to accurately predict short-term movements. Recent strength is being driven by Australia's higher interest rates, strong economic growth, high commodity prices and weakness among some other foreign currencies. Floated in 1983, the long term average has been US70c, although some say it's on its way to parity.

Source: Bloomberg & AXA



Paying too much super can be taxing

Seems strange doesn't it? Being told **NOT** to put too much into super.

The fact is, there are two main types of super contribution. "**Concessional Contributions**" (CC) - where a tax deduction is obtained, (eg salary sacrifice and the 9% super g'tee charge) & "**Non-Concessional Contributions**" (NCC) where no tax deduction is obtained.

The current annual limit for each is \$25,000 and \$150,000 respectively, however, for those aged over 50 the CC limit is currently \$50,000pa (till 2012) and for NCCs it's up to three years contributions in one (ie \$450,000).

Pay contributions in excess of these amounts and you will receive from the ATO what is known as an "**Excess Contributions Tax Assessment**", which must be paid within 21 days.

And how much tax would you expect to pay on excess super contributions?

- A). The lowest personal tax rate of 16.5% (includes medicare), **OR**
- B). The highest personal tax rate of 46.5% (includes medicare)

Correct ... the answer is B). The HIGHEST personal tax rate of **46.5%!!**

And the main takeaway lesson from all of this ... ? If you are salary sacrificing into super, make sure that your **TOTAL** concessional contributions for the full tax year do **NOT** exceed the limits. (ie currently \$50,000pa if you are over 50 and \$25,000pa if you are under 50) And this includes the employer 9% SGC, plus any other employer contributions. With six months still remaining till the end of the current tax year, **NOW** is the time to review your arrangements.

WORLDS MOST DANGEROUS CHOCOLATE CAKE

5 Minute chocolate cake made in a coffee mug !!



If you have trouble controlling yourself when it comes to all things chocolate, then it might be good to look away now.

This cake is so simple and accessible it's been described as the world's most dangerous chocolate cake. Great for body-building ... sideways !!

What you'll need ...

- 4 tablespoons flour
- 4 tablespoons sugar
- 2 tablespoons cocoa
- 1 egg
- 3 tablespoons milk
- 3 tablespoons oil
- 3 tablespoons choc chips (optional)
- A small splash of vanilla essence
- 1 large coffee mug

Instructions ...

- 1/. Add dry ingredients to your largest mug and mix well.
- 2/. Add the egg and mix thoroughly.
- 3/. Pour in the milk and oil and mix well.
- 4/. Add the vanilla essence and choc chips (if using), then mix again.
- 5/. Put your mug in the microwave and cook for 3 minutes at 1000 watts (high).

Results ...

The cake will rise over the top of the mug, but don't be alarmed! Allow to cool a little, and tip out onto a plate if desired.

EAT!

They say that this recipe will serve two. But I don't know about that. Maybe tell your friend to get their own coffee mug.

SUPER TAX TIP

Most people are aware that withdrawals to super (and allocated pensions) are tax free after age 60. Further more, death benefits paid to dependents are also tax free. So far so good. The tax-trap is when death benefits are paid to **NON-dependents** – eg adult children – up to 16.5% tax in fact! For most there's no way to avoid it – a case of death AND taxes. But what if you could withdraw all of your super just **before** you die? It's tax free to you, but taxable to others. So it makes sense for **you** to empty the piggy bank, rather than leaving it for the estate to do it. Of course, this strategy won't be for everyone, but it's worth keeping in mind.



WISDOM

We must rapidly begin the shift from a "thing-oriented" society to a "person-oriented" society. When machines and computers, profit motives and property rights are considered more important than people, the giant triplets of racism, materialism, and militarism are incapable of being conquered.

MARTIN LUTHER KING, JR

Focusing your life solely on making a buck shows a poverty of ambition. It asks too little of yourself. And it will leave you unfulfilled.

BARACK OBAMA

Money is like manure; it's not worth a thing unless it's spread around encouraging young things to grow. from "The Matchmaker"

THORNTON WILDER

God is on everyone's side ... and in the last analysis, he is on the side with plenty of money and large armies.

JEAN ANOUILH

Behaviour under stress

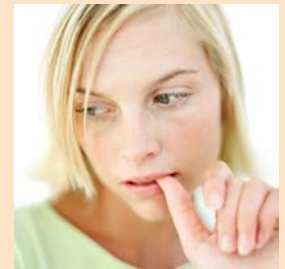
What happens to our behaviour when we are stressed? It's no surprise that after years of psychological research it seems that when we are stressed we can behave quite differently to when we are relaxed and happy. It is highly likely that:

- We are unable to think clearly or rationally
- Our productivity drops significantly
- Our communication style changes significantly
- We are unable to motivate others

So what is your current stress level & what effect does stress have on your personality style. More importantly, how do you manage the situation to mitigate the negative effects?

Here are some helpful tips put forward by the consulting group Prova to strengthen your resilience:

- Start off your day with breakfast
- Occasionally change your routine by meeting a friend or co-worker for breakfast & allow time to relax and enjoy it
- Don't try to be perfect. Don't feel like you have to do everything
- Don't take your job home with you or on breaks – try and clear your head of work related issues
- Always take a lunch break (preferably not at your desk)
- Avoid people who are "stress carriers" or "negaholics"
- Don't watch the 11 p.m. news
- Give yourself praise
- Don't be afraid to ask questions or to ask for help
- Most of all look after yourself



www.prova.com.au

VANUATU DVD 4 SALE

A big thank you to all those who provided support and encouragement to Robert and his Medical Sailing Ministries project earlier this year. As reported in the September Update, the 4 month mission was completed successfully and to find out more visit www.msm.org.au



To experience life aboard the good ship Chimere and amongst the remote islands of Vanuatu, a DVD is now available.

It contains six short films featuring the work of MSM and the Vanuatu Prevention of Blindness Project. All for just **\$20** (plus \$5 postage) At the same time you'll be supporting future missions and the work of the Vanuatu Eyecare Project.

Call the office now on **9814 9333** for a copy.