

2016 Q2 UPDATE



July 2016

Welcome to the delusional disillusioned double dissolution update! As the description suggests, this update will feature the T take on the recent Federal Election. As at writing, it's all over bar the shouting with Malcolm and his Team re-elected with what appears to be a majority.

We also feature our annual EOFY Tax Tips, thanks to the Team at Poulsen Partners!

Interesting 1st half of the year for HSL with no real consistency on a month to month basis. In saying that, we finished with another strong financial year cracking our previous 'Settled' numbers for a 4th straight year! BIG thanks to all of you for your continued support!! Without you, we don't exist...

On the personal front, we have FINALLY bought our acreage property! It's only taking 3.5yrs of planning/looking/open homes etc etc. The one thing I'm really looking forward to is not receiving daily emails from Dee with 'what about this one?', 'let's go look at this', 'call the Agent', 'can we make this one work'... now for the mowing!

My O35's Soccer Team sits in 2nd place with 6 games to go before Finals. An early form slump crippled our Premiership hopes but the Championship is well within our grasp, if we 'want' it!

So... without further ado... PLEASE EXPLAIN!!!



2016 Federal Election

Now, before we begin... this is just my 'personal' take/opinion on this Election. Not intended to offend or upset, as we all have our allegiances/opinions. Notwithstanding this, I'd love to hear your feedback should you wish to provide some... ;0)

HSL Election Poll

How about we forget about all the other Polls and just survey the HSL Family?! In our recent survey, 75% selected the LNP to win (notwithstanding personal voting intentions). 60% nominated the winning margin of the successful Party as 'Just'. That's some pretty good crystal ball gazing!

Other pertinent results included (of National importance):

87% of respondents nominated Meaningful Tax Reform as Important/Critical

79% of respondents nominated National Debt as Important/Critical

74% of respondents nominated Political Party Stability as Important/Critical

The 'least important/don't give a stuff' issues - Same Sex Marriage at 44% with Climate Change a close 2nd at 39%. Notwithstanding this, 67% would vote for Same Sex Marriage.

Humphrey B Bear was a popular choice as preferred PM with 29% of respondents. He's a funny old fella indeed!

Compulsory Voting

Can of worms?? I get the methodology behind compulsory voting, predominantly to alleviate fringe lunatics from garnering sufficient support to govern... BUT... why are we forcing people with no idea into having a say on who runs the Country? I recently asked one of our Team Members (now Former) as to who she would be voting for. Her response was that whatever name she recognised! She admitted she had no idea about politics and wasn't interested either. Sadly, her vote counts! In the recent Council Elections where mandatory 4 year terms were proposed, a constituent was quizzed by a News Reporter as to how he voted. His response was he voted in favour of 4 year terms. 'Why?' she asked, 'Dunno, sounded good!' You think they're alone??

My proposal is this... 4 questions at the entry of the polling booth.

Q1: Who is the current PM?

Q2: Which Party does he/she lead?

Q3: Who is the current Opposition Leader?

Q4: Which Party does he/she lead?

Can't answer those 4 Q's correctly, goodbye... you are the weakest link!

Vote 1!

Whatever happened to Vote 1?? For all my (alleged) knowledge of Politics, I'm still struggling to get my head around preferential voting & how these preferences are directed. Why can't it be 1st past the post? In the most recent Qld Election, the LNP primary vote was 41% where Labor garnered 37%, yet Labor is running (used loosely) Qld. Imagine winning a F1 Championship where you never won a race, but you were able to grab the points of another Driver which propelled you to the top - sounds stupid huh?!

Fast forward to the Senate Ballot paper... 1-6 above the line or 1-12 below the line!! Did anyone else struggle to get to the minimum 6 above?? Gee, the Pirate Party must have achieved some numbers! Arrrrr me Hearties!!

Negative the new Positive?

One word! MEDISCARE! Didn't that spook the pigeon's! It seems that we are more about being scared rather than being positive & brave. Bill & co certainly used that outright lie to great effect. Unlike Captain Bligh's scare/negative campaign aimed at Major Newman (which backfired spectacularly), the recent spook & gloom seemed to have the desired effect for the Red corner. Interestingly, watching the coverage on Election night... not one Labor Candidate denied/defended the 'Mediscare' lie when quizzed on it... There should be 'laws' around this type of false/misleading campaigns. Imagine if I advertised a Rate I couldn't deliver, or spruiked an outright lie about a Bank's intentions... Federal Court here we come!

To his credit, Malcolm had an arsenal of negative attack ad's & scare campaigns at his disposal, but chose not to use them because the Party's federal base believed it could win without them. Clearly, we don't like positivity...

Buffalo Bill

Seriously... carrying on like he's just become President of the USA. He led his Party to its 2nd lowest Primary vote in history & yet he's flaunting success like a rock star. Can't say that I can respect a bloke who leads such a dirty dishonest campaign to win something. Where's the integrity & trust factor?

To add insult to injury, his Election night speech was full of making the LNP's life miserable over the next 3 years... great! Just what we need, another 3 years of blockages & turmoil. That should just about ensure we get ourselves out of the financial holes we're mired in.

Independents

I understand the disenchantment with the major Parties, however how many know it's a pseudo vote for a Major? See 'Vote 1' above. Already heard people spruiking they voted 'Independent' & when advised of where their vote went seemed shocked... See 'Compulsory Voting' above too...

While on the topic of Independents, can someone 'please explain' how 24 of 25 Constituents DIDN'T vote for Pauline, but she still landed a Senate seat. She scrubs up okay in a Hijab though...

Where did Malcom go wrong?

You could attribute a number of reasons... refusal to go 'negative' on Labor, after dinner distaste with some hard-core LNP'ers for replacing the Budgie Smuggler, not calling the Election immediately after replacing the aforementioned Smuggler...

But what about indecisiveness around definitive Tax/Budget reform, namely increasing the GST? We may not have liked it initially, but I believe most had come to accept it... & when you think about it carefully, everyone pays equally (unlike the current Budget Repair Levy 'Rich Tax' that imposes an additional 2% on those who earn >\$180k PA). Then 'poof!' it's off the table! The point is it highlighted a weakness/indecisiveness of a man who most believed was a strong decisive leader. As one Commentator noted: 'It's why John Howard succeeded. He was predictable. Even when people didn't like his politics, they knew where he stood.'

What next??

It's easier predicting Interest Rate movements! Ever since Kevin 07 changed the political landscape with his 'time for a change' campaign that turned our voting conscience into a popularity contest, it seems our Parties have adopted turfing out their anointed leaders when the polls suggest accordingly. We must be somewhat of a laughing stock on the international scene.

So, what comes first... Malcolm forced to walk the plank of political oblivion & another LNP PM... or another Election? That really is the \$100 Q! A mate of mine who is a Nephew of former Greens leader Bob Brown recently spoke with him & asked his thoughts...' another Election within 6 months' was his response! Great! Can this then be the 'Triple Dissolution' Election?

Arrrr me Hearties, maybe they'll get a spot after all...

Tax Tips 2016

Record Keeping

At least five (5) years, but you should keep for as long as space permits any records to do with capital assets (including shares), tax returns, accounts and legal documents. This also extends to computer transaction files.

Plant & Equipment

For SBE (Small Business Enterprise) taxpayers, a concession introduced during 2014-2015 allows small business entities to claim an immediate tax deduction for depreciable assets costing less than \$20,000 (net of GST) which are acquired and installed ready for use between 7.30pm on May 12, 2015 and June 30, 2017.

For non-SBE taxpayers you will only get an outright tax deduction for purchases of under \$100. Note that computer software is to be depreciated over 4 years, not written off immediately.

Rental Property Deductions

Don't forget you may be eligible for capital write-off deductions on rental properties. Deductions include depreciation of furniture and fittings (outright deduction available for items costing less than \$300) and a special building write-off on construction costs (including subsequent improvements). You will require a quantity surveyor's or builder's report for rental properties to be able to do this.

Individual Resident Tax Rates

Current Rates (applicable for 2015/2016)

0 - 18,200	Nil
18,201 - 37,000	19.0%
37,001 - 80,000	32.5%
80,001 - 180,000	37.0%
180,001 +	45.0%

The above rates do not include the Medicare Levy (currently 2% of taxable income) or the 2% Temporary Budget Repair Levy.

NEW From July 1, 2016, the government proposes to increase the 32.5% personal income tax threshold from \$80,000 to \$87,000. This measure will reduce the marginal rate of tax on incomes between \$80,000 and \$87,000 from 37% to 32.5%.

Idle Bank Accounts

NEW Effective as from December 31, 2015, the Labor-imposed 3 year deadline for idle bank accounts has reverted back to 7 years.

Accordingly, 7 years must pass before any bank account that lies idle can have its funds automatically claimed by the Government. In other words, accounts with anything from \$1 upwards that have not had any deposits or withdrawals in the past seven years will be transferred into the Government's own coffers. Interest payments are not considered to be deposits and bank fees are not considered withdrawals.

So if you have a special account in which you've put aside money for your kids' education, or just for a rainy day, beware this cash grab. The money can be reclaimed through ASIC but apparently the process can take months.

Debt Levy

The Temporary Budget Repair Levy continues to apply until June 30, 2017. The levy adds another 2% to the top marginal rate, meaning individuals with a taxable income of more than \$180,000 for 2015/2016 attract a marginal tax rate of 49% including 2% Medicare Levy.

Home Sweet Loans - Housekeeping

On our website is our '**Budget Organiser**' Template. This Organiser has been designed to assist you in implementing a budget or simply tracking your expenses. It's amazing where your money goes once you decipher it on paper! You can download this for FREE! I'm also open to any suggestions on how we can improve it too!

PLEASE NOTE that we are here to assist during the Application process, and post Settlement. If you require any assistance whatsoever once you have your loan in place, please call us at anytime. This alleviates any issues that you will encounter dealing directly with your respective Lender, especially when it comes to Product switches and Discharges/Releases.

We Value Your Thoughts!

Gift Vouchers, Movie Tickets, a night at the Footy, lunch/dinner at sumptuous Restaurants – the more of your family & friends you refer, the greater your rewards! We also conduct a regular competition through our Quarterly Magazine. Throughout the year, we conduct several competitions that are exclusive to our 'Email Alert' members & Facebook 'Likers'.

Take Care

Tarek & the HSL Team