



SFS Money Matters

Welcome to the latest in our series of **SFS Money Matters**. Our emails are intended to inform, not to offend!

Well... what an interesting few months it has been in the share markets! Since its low of 3,090 points on March 10th 2009, the Australian All Ordinaries Index has risen **22%** to the 28th of May 2009 (2 and a half months...) where we are currently at 3,754 points. Is this the start of the new growth cycle???

In the lead up to the end of financial year, hopefully most of you are thinking about ways to minimise your tax! Please find attached for your convenience our **60 Second Pre-tax Time Health Check** with some useful tax minimisation strategies. To find out more about how some of these strategies can be taken advantage of in your personal situation, please contact us as soon as possible prior to the 30th of June.

Federal Budget 2009

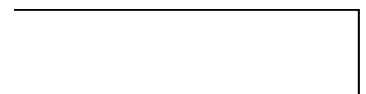
Following the Federal Budget announcements on 12 May 2009, please find a brief summary below:

Winners →

- **Existing Pensioners** – single to get extra \$32.49 per week, couples to get extra \$10.14 per week
- **Victorians** – biggest infrastructure spend (\$3.6b)
- **New Home Buyers** – First Home Owners Boost continued for six months
- **Small Business** – Small Business and General Tax Break increased to 50 per cent for order this calendar year
- **The Environment** - \$4.5b on new clean energy initiative
- **Tertiary Education** - \$5.3b on tertiary education, research and innovation
- **Hospitals** - \$2.5b for hospital and health workforce reform, \$3.2b from Health and Hospitals Fund to modernize hospitals and improve cancer facilities
- **Carers** – new \$600 a year Carer Supplement, plus extra \$600 a year allowance for each person in their care
- **New Families** - \$731m over five years for paid parental leave scheme
- **Bond Market Traders** – guaranteed supply of risk-free government debt to invest in

Losers →

- **Treasurer Wayne Swan** – delivers biggest budget deficit in Australian history
- **Unemployed** – numbers likely to rise to 1 million in 2011 despite jobs created by infrastructure spending
- **Future Tax Payers** – responsible for repaying net government debt forecast to balloon to \$188b by mid-2013, with interest payment to rise to \$7.6b per year



- **Pensioners of the Future** – pension age increased progressively to 67 years by 2023
- **High Income Private Health Members** – private health insurance rebate reduced
- **Superannuation Salary Sacrificers** – Halving salary sacrifice into super to \$25,000 a year for those under 50 and to \$50,000 a year for those over 50
- **Skilled Migrant** – intake slashed by 20 percent or nearly 7,000 places
- **Asylum Seekers** – extra \$650m in funding for border protection
- **Doctors** – Angry that nurse practitioners and midwives will get access to Medicare Benefits Schedule for services and PBS for drugs
- **Infertile Couples** – publicly subsidised IVF treatments capped for people who qualify under the Medicare safety net

(source: CCH.com.au, 13 May 2009)

As you will note, there have been some major changes to the superannuation rules - specifically the concessional contributions caps! We are in the process of making contact with those of you who need to make changes to their salary sacrifice and personal deductible contributions (self employed) for next financial year. If you would like further information or a more detailed update on any of the Federal Budget changes, please call us or email info@southernfinancial.com.au.

As a final note, in light of media attention around the FAILED Managed Investment Schemes (agribusiness) such as Timbercorp and most recently Great Southern, we felt it prudent to again let you know that Southern Financial Strategies have had **absolutely no exposure** to any of these investment schemes! We trust that our investment philosophy provides you - our client with peace of mind during these volatile times.

Until next time, all the best!



Steve Salvia AFPA, DipFS, CD.

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