

The Budget

NEGATIVE GEARING SUPERANNUATION & AGE PENSION –

Which Way Will The Government Go

With an ever increasing proportion of voters being retirees or fast approaching retirement age and anxious about their investments the questions surrounding superannuation, age pensions and negative gearing have become some of the biggest bones on contention for this government.

There has been a lot of speculation leading up to the May budget as to which way the government would go regarding the need to reduce the deficit as opposed to the need to help those who are most in need.

We have delayed the release of this newsletter until after the announcement of the Budget on Wednesday 13th May. Making predictions just a few days before seemed pointless.



The Government was worried about what the reaction would be and Joe Hockey could not be consoled after the last disaster. But they pulled it off ...



Cynics have said it was a pre-election budget but it delivered some much needed repair to damaged confidence.

At first glance those who are soon to become self funded retirees with \$1million or more in assets don't seem too worthy of our sympathy but their nest egg, collected over a life time of work could shrink drastically with unsympathetic legislation in place.

So on Wednesday the Budget declared it would not touch the 3 Holy Grails for investors and retirees.

That's great news!

But that only takes the heat off until next Budget. The government is under pressure to reduce the deficit. Means testing pensions, cutting tax concessions for superannuation and reducing tax claims for rental properties could net them billions.

But we say, "At what cost?"

People work their whole lives to do more than just survive from day to day; they can't work til they drop; they need to be able to provide for the day when they can finally put their feet up.

Are we a society who needs its citizens to work until they die like third world countries?! Or are we a society who will provide for its people from the cradle to the grave? The challenge has been laid at the feet of all of us.

If the big 3 are cut off completely there will be no incentive left and our society will change in very negative ways that few can comprehend.

It will be a brave government that caves in to the nagging of self interested pressure groups.

Tony Abbott, and others, have suggested that any changes to Negative Gearing will only affect new investors. But that is, if they come.

So our advice is to get in while you still can!

The tax advantages of Negative Gearing are huge but for those who have little or no Superannuation and limited entitlement to the meagre pension they are almost all they have left between a comfortable retirement and the mean streets of poverty.

RETIREMENT PREPARE NOW OR POVERTY LATER

We can't talk about this enough. In our last few newsletters we have emphasised the absolute need for every one of us to understand where we will be, financially, when we retire. Will we be comfortable and secure or broke and a burden on our families?



Only about 5% of the population will retire in a good financial position.



If you want to find out where you stand all you need do is to go direct to our dedicated website <http://www.ineedhelp.subscribemenow.com>.

You have 3 options:

1. Book your FREE in home, one on one, consultation.
2. Book in for our next Financial Freedom Workshop.
3. Or if you just have a few questions then give us a ring and speak to Vincent Woodall on 0451 596 575.

Use your Smart Phone to scan the QR code opposite to simply access all details.



INTEREST RATES DROP AGAIN

The Reserve Bank has now reduced the official interest rate to 2.0%, the lowest on record.

There is even now speculation that the cash rate could drop from the current 2.% down to zero!

Christopher Wood, who is the managing director and chief strategist of the broking firm CLSA was reported by the Financial Review on 19 March to have said that interest rates in Australia will be less than 1 per cent within two years and could even go to zero.

Again, it's great news for investors!!