

2/73 Market Street
WOLLONGONG
NSW 2500

PO Box 5422
WOLLONGONG
NSW 2520

Telephone: (02) 4225 7779
Facsimile: (02) 4225 9599

poulton@accountant.com
www.poulton.biz

Basic Tax Rates

2005 Tax Rates

New Scale Taxable Income	Tax Rate %*
\$ 0 - \$6,000	0
\$6,001 - \$21,600	17
\$21,601 - \$58,000	30
\$58,001 - \$70,000	42
\$70,001 +	47

*not including Medicare levy

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Disclaimer

This publication is of a general and summarised form for the clients of Poulton & Associates Chartered Accountants.

Clients and readers of this newsletter should not rely upon this publication without firstly obtaining detailed advice from this office.

Tax Time Coming Up Again!

Once again the end of the financial year is almost upon us. We have attached a checklist to help you in the preparation for your appointment this year. Please make our office your first point of call if you have any queries.

New Member Of The Firm

We have recently employed a new receptionist to the firm. Her name is Cara replacing Jessica who has moved into the real estate industry.

2005 Federal Budget

The 2005 Federal budget contained a number of measures of interest to clients. These include:

- Reduction in personal tax rates and thresholds over the next 2 years (particularly for high income earners)
- The abolition of the superannuation surcharge from July 2005
- Measures to encourage social security recipients to return to work.

Top up your super with help from the Government

If you're entitled to superannuation support from your employer, you should consider making personal after-tax contributions into your fund before 30 June 2005. You may qualify for a Government co-contribution.

Superannuation Choice

Choice of superannuation fund is a new law that gives many employees the right to choose which superannuation fund will receive their employer superannuation guarantee contributions.

Choice of superannuation fund starts on 1 July 2005 for all employees except those under a state award/agreement or an Australian workplace agreement or certified agreement.

If you are eligible, you should receive a choice of superannuation fund form from your employer by the 29 July 2005.

Tax Planning

The traditional tax-planning season is upon us. As such, we would like to highlight some opportunities, tools and strategies that have proved successful for many of our clients in previous years.

Use losses to reduce capital gains tax

If you have to pay any capital gains tax (GCT) this financial year, you should consider selling poor performing assets that no longer suit your circumstances before 30 June 2005. By using this strategy, you could save on GCT this financial year and free up money for more suitable investment opportunities.

Defer asset sales to manage capital gains tax

If you need to sell a profitable asset, you should consider delaying the sale until after 30 June 2005. By implementing this strategy, you can defer paying CGT. Depending on your situation, you may also be able to reduce your CGT liability in the next year.

Pre-pay 12 months interest on an investment loan

Borrowing to invest (gearing) can help you achieve you long term lifestyle and financial goals. However, if you're already commenced a gearing strategy (or about to set one up), then pre-paying your interest bill for up to 12 months before 30 June 2005 may enable you to bring forward your tax deduction and pay less income tax this financial year.

Prepay 12 months income protection insurance premiums

If you're unable to work for an extended period due to illness or injury, income protection insurance can help you pay your bills and maintain your lifestyle. However, if you take out income protection insurance before 30 June 2005, and pay your premiums for 12 months, you may be able to bring forward your tax deduction and pay less income tax this financial year.

Financial Planning

Your One Stop Financial Shop. As many of you are aware we offer Financial Planning to our clients. Our range of services has increased over the years. Below we have listed our services, so if you need any advice in the following areas please contact our office to obtain a client data form.

We provide the following Financial Planning services in conjunction with Professional Investment Services:

- Superannuation & Retirement advice
- Investment advice & reviews
- Leasing
- Margin Lending advice
- Home Loans
- Risk Insurance

If you have any questions or queries about our Financial Planning service please contact our office to make an appointment.

What you get from your financial adviser

So what are the most important services you get from a financial adviser?

A holistic approach

A financial adviser can help you take a holistic approach to your finances. They help you understand your existing financial position, clarify what your goals are and devise a strategy to help you achieve them. Most importantly they build a financial plan that's about you- your age, your plans, your investment experience, your risk tolerance and your lifestyle.

That means that all your financial decisions fit into a logical framework and that the products and services you choose work together to meet your needs.

Asset allocation

Asset allocation is the art and science of allocating your investment between asset classes. Your financial adviser can work with you to devise an asset allocation structure that suits you, helping you use the mix of growth and defensive assets that meet your needs.

Security selection

There are literally thousands of shares, managed funds, trusts and super and retirement income products to choose from. Your financial adviser has access to the latest professionally complied research that allows them to compare these products against each other. That means they can choose the best products for you- both in terms of performance, fees and in terms of quality of management and in how they fit into your portfolio.

An Education

One final and often underestimated role of a financial adviser is to help you learn more about investing. No-one will do it better because they are by your side as you make crucial life and investment decisions.

Visiplan Software

We have now have the latest financial planning software installed. VisiPlan is a powerful user-friendly financial planning solution that offers the flexibility and functionality required to meet our client's needs. VisiPlan enables us to prepare strategy-based advice and written recommendations, manage clients' investments and provide ongoing service.

The Portfolio Manager module tracks the investments of the related entities, such as companies, trusts and DIY superannuation funds. Reports can be run for individual entities or on a consolidation basis on a regular basis in no time.

Portfolio Manager can access historical ASX share prices and managed funds unit prices electronically and then automatically updates our client portfolios.

Virtual broker software enables secure share trading transactions over the internet.

Superannuation

In light of the latest enhancements to the Superannuation incentives proposed by the Government, now more than ever you need to be on top of your Superannuation and Retirement planning.

Boost savings and save tax via salary sacrifice

If you're likely to receive a bonus before 30 June 2005, you should consider asking your employer to salary sacrifice your payment into superannuation. By using this strategy, you can pay less income tax this financial year and make a larger after-tax investment.

Contribute for your spouse and save tax

If your spouse has a low income, you should consider making super contributions on their behalf from your after tax pay or savings. By using this strategy before 30 June 2005, you can receive a tax offset of up to \$540 this financial year and maximize the benefits of super as a couple.

Maximise tax-deductible super contributions

If you're self-employed, substantially self employed or under 65 and recently retired, you should consider making tax deductible contributions into superannuation before 30 June 2005. By using this strategy, you can pay less income tax this financial year. If you own a business, this strategy may also help you build and protect wealth outside your business.

Introduction	Authorised Dealer's Representative of Professional Investment Services Pty Ltd. Australian Financial License Number 234951
How my dealer and I are paid	"Professional Investment Services is paid by way of commission. The upfront commission can range between 0% and 10% depending on the product provider, while on-going commissions may range between 0.25% and 1%."
How to find me	If you'd like to make an appointment to discuss your financial needs and objectives in more detail, please call 02 4225 7779.