GFM Wealth Advisory | TRADE SECRETS

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SMSF Specialists | Investment Management | Financial Planning | Accounting

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MARKET OUTLOOK

By James Malliaros

We live in a pivotal time in history, marked by high inflation, volatile financial markets, geopolitical realignment and the end of 40 years of declining interest rates.

There is no doubt inflation is currently the topic du jour and for a good reason. Many factors combined to undermine the economic and financial market outlook over the first half of Calendar Year 2022. If we simplified the problem, the continued rise of inflationary pressures drove the incredible pace and magnitude of central bank policy tightening, impacting financial markets.

Inflation surged during 2021 as demand for goods and services revived when pandemic lockdowns were eased. Still, supply was restricted by bottlenecks and the slow return of workers to fill open positions. This year, surging energy prices from the Russia/Ukraine war and further supply-chain disruptions from China's zero-tolerance COVID–19 lockdowns have pushed inflation even higher. The job market strength in the US has boosted wages, creating more inflationary pressure.

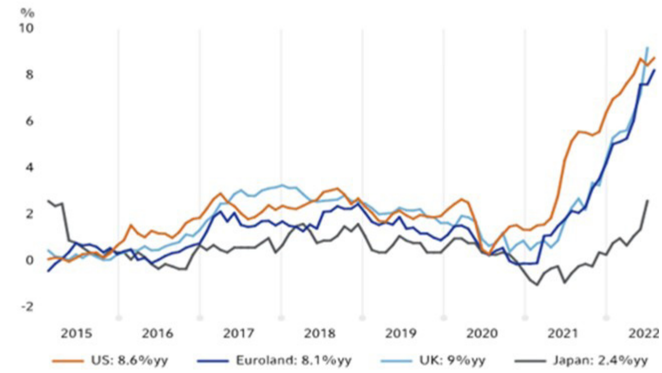
Sharply higher inflation has prompted major central banks to raise interest rates. The key questions now are:

- How high will rates go?
- Will soaring consumer prices force central bankers to tighten monetary policy beyond current expectations?
- Or will the central banks "back off" as higher rates start to take a toll on the economy?

Recently, central banks have stepped in to help alleviate financial market stress. But central banks don't appear to have that kind of flexibility anymore, with inflation running at a 40–year high. In Europe, where growth prospects are more uncertain than in the US, the European Central Bank appears much more concerned about the upside risks to inflation than the downside risks to growth.

Over the past few years, we have seen a significant deviation from the standard playbook we've become accustomed. The central banks are grappling with how to bring down inflation without pushing the global economy into recession, and the issue is that it may not be possible to do both.

World Inflation



Source: Refinitiv® DataStream®, as of May 13, 2022. YY means the year-over-year difference

In Australia, inflation is expected to continue to accelerate in the latter part of Calendar Year 2022 before peaking at ~7% on a year-end basis. In addition to inflationary pressures from petrol prices and issues in the utilities industry and energy (albeit to a lesser extent than Europe), inflation has broadened out to other core sectors.

Australian inflation to peak at ~7%

Source: ABS, Macquarie Macro Strategy, June 2022

The backdrop of Australia's high inflation has seen a sharp change in the RBA's rhetoric, with Governor Lowe now an inflation fighter. The market is currently pricing a cash rate of 3.10% by the end of 2022.

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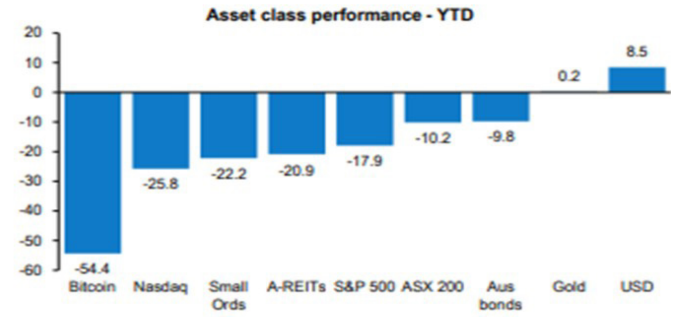
Source: Macquarie Macro Strategy, June 2022

It is expected that several of the major advanced economies (US, UK, Europe) may enter recession over the next 12–18 months. Strong inflation is weighing on real incomes and sentiment, and monetary policy is moving from being highly accommodative to contractionary. However, underlying economic conditions remain relatively robust, with consumer balance sheets solid and few signs of credit stress at a corporate level. This should lessen the effects of higher interest rates and an expected uptick in unemployment, even if it is not enough to avoid a short and shallow recession for advanced economies.

Despite its inflation problems, Australia's growth should remain OK relative to other economies such as Europe and the US. Monetary policy is not expected to tighten as much as the other economies. This is because inflation pressures are less intense. Australia also has more direct exposure to China, which should support growth over the next couple of years, as demand for Australia's resources is expected to remain sound.

In the landscape of high inflation and the concern of a pending global and domestic recession, equities and other risk assets have suffered significant downside in the first half of 2022. In hindsight, we now know a very poor starting point of exuberant sentiment and expensive valuations came under pressure from a rapid reset of central bank policy expectations. This has resulted in the underperformance of the riskiest/highest–valuation assets (bitcoin, small caps, tech stocks) while outright defensives have shone. The sell-off started in areas where valuations were most susceptible to rising bond yields. However, fears of rates needing to go to levels that would put additional pressure on valuations and economic growth began to drive weakness into other areas such as industrials, consumer stocks, property and financials.

Selling pressure has been broad-based year to date



Source: FactSet, MWM Research, June 2022

The concern for those worried about a pending economic downturn is that the correction in equities has been entirely driven by valuation contraction, with earnings still providing a positive contribution. Earnings estimates have increased YTD, particularly for Australia, due to its high exposure to resources and energy, e.g. consensus EPS estimates have increased +66% YTD for the S&P/ASX 200 Energy sector. However, profit margins have peaked in the US and have almost certainly peaked for Australia, given rising raw material, labour and interest costs (the last three US recessions have seen earnings decline an average of 24% from peak to trough).

The extent to which equities fall (or rise) from here will largely depend on the inflation and policy rates trajectory.

Financial markets will most likely remain volatile and largely rangebound over the second half of this Calendar Year until there is greater transparency around key uncertainties.

Could we have reached the bottom of market falls in this cycle?

It is possible, but we look to the following markers as required to drive a sustainable bottom in equities and to help raise conviction that we might be through the worst.

1. Moderation in inflation pressures or evidence that the breadth of price increases is lessening. We view this as the most crucial catalyst in the current market.
2. A more dovish shift in central bank rhetoric, which in turn will help alleviate overtightening fears. This also appears unlikely in the immediate term as central banks are behind the inflation curve and looking to dampen inflation expectations with hawkish guidance.
3. An end to the conflict in Ukraine. This appears difficult to predict, so we assume this remains a negative drag, albeit one that doesn't increase.
4. A more aggressive pro-growth policy push by the Chinese Administration
5. Risk assets becoming cheaper. Valuations have retraced from peak levels but are not yet outright cheap. Global equities trade on a P/E of ~14.8x, still above the 2018 trough of 13x and the GFC / Euro Crisis bottom of ~10x. The Australian share market is a similar story.

Every market drawdown has different characteristics, and it is important to respect the factors affecting markets in this drawdown. Longer term, the sun will shine again; it always does. As time passes, the market will eventually start looking over the valley of uncertainty and toward what normalised earnings look like for stocks. Note that stocks now look far more attractive on a medium to long–term time horizon. The average bear market lasts just under 300 days, and you do not need to pick the bottom to enjoy solid results. But patience and discipline remain essential.

BABY NEWS:
CONGRATULATIONS TO SAM AND BLAIR
By Paul Nicol

Some very exciting news! Our Senior Financial Planner Sam Eley and his wife Blair welcomed a beautiful baby boy to their family. Sullivan was born on Saturday, July 16, at 3.49 pm, weighing 3.3 kg and 51 cm long. Everyone is healthy and well and adjusting to a family of four.

BILL FODDY & ANN SANSON:
CLIENTS OF GFM SINCE 2001
By Patrick Malcolm

Ann is an Honorary Professorial Fellow at the University of Melbourne. Her research has focused on understanding the role of child, family and community characteristics in children, adolescents and young adults' social and emotional development and wellbeing.

Ann is a principal investigator on the 36–year Australian Temperament Project, which has followed a large community sample from infancy through early adulthood. She was the initial Project Director for the Longitudinal Study of Australian Children, following 10,000 children nationwide. The central focus of Ann's current work is on the impact of climate change on current and future generations of children. She is a Fellow of the Australian Psychological Society and the International Society for the Study of Behavioural Development and has over 200 publications.

Bill was a Senior Lecturer in the Department of Anthropology and Sociology at Monash University. His principal research areas were the use of shared facilities in cluster housing and privacy. He taught courses in social psychology, the sociology of self–processes and survey research techniques.

Bill is the author of Elementary Applied Statistics for the Social Sciences (1988) and Constructing Questions for Interviews and Questionnaires: Theory and Practice in Social Research (1994). The National Library of Australia holds Bill's 1994 book, his 1982 research "Cluster housing in Australia and North America", and his 1976 research "Multi–own–your–own unit residential complexes".

We thank Ann and Bill for their contribution to Trade Secrets.

After I retired from University some 25 years ago, I sold two investment houses – I had found that being a landlord did not sit well with my general values.

Following advice from friends, I spoke to GFM, and as a result, set up a self-managed superannuation fund (SMSF) to contribute the proceeds from the sale of these two houses. Sometime later, my partner Ann became a member of the SMSF.

From the start, we have appreciated GFM's transparency. We have always been impressed with how they have taken on board our preference to invest in ethically sound stocks. We also have valued GFM's dedication to educating their clients in financial matters through the regular seminar series, dinners with invited speakers and bi-annual face–to–face meetings – in our view, these place GFM at the top of the pack. Further, we have been impressed with how the GFM advisers work as a team, meeting regularly to evaluate potential investment opportunities.

Over the years, we have been struck by the friendly, well–knit GFM team when we visit the GFM premises. We are always greeted as friends, the staff appear to be genuinely interested in our lives and families, and we have enjoyed the social events they organise, allowing us to meet other clients. We have never seen or experienced any sign of friction between staff members, and this no doubt helps to explain why there has been so little staff turnover over the 20+ years that we have been their clients.

In the early days of my association with GFM, I was recruited (as a retired academic with little business experience) to join a focus group. The goal was to get feedback and recommendations from clients about ways to grow the GFM business. Something must have worked because GFM now has many more clients than they had at that time. Most impressive is that this growth has occurred through the recommendations of existing clients to their family and friends. GFM has never needed to rely on impersonal advertising.

In sum, the sound financial advice and management we have received from GFM have given us the peace of mind and financial capacity to pursue the interests that are dear to us. I am acutely aware that GFM has managed our resources far better than Ann and I could have. Without this support, we would not enjoy the secure financial position we have today. This is why we have recommended GFM to many of our friends and relations, and I anticipate this will continue well into the future.

THE IMPORTANCE OF SUCCESSION PLANNING FOR AN SMSF

By Witi Suma

Most SMSF trustees would understand the concept of estate planning, which deals with how an individual's assets are distributed when they pass away. Many, however, sadly neglect the importance of succession planning for their SMSF. Overlooking this important aspect of operating an SMSF can result in future uncertainty concerning control and how their member benefits are dealt with.

If you are an SMSF trustee, have you thought about what happens if, one day, you become unable to meet your responsibilities?

Under superannuation law, a person cannot be a trustee (or director of an SMSF corporate trustee) if they are under a legal disability, which includes mental incapacity. If such a situation arises, the SMSF's trusteeship would need to be restructured so the SMSF remains compliant. Similarly, if one of two individual trustees passes away, a new trustee must be appointed so that the definition of an SMSF is still met. In both scenarios, the SMSF is given six months to restructure. If there is no succession plan in place and the trusteeship cannot be restructured by the deadline, the SMSF may need to be wound up.

The loss of a key decision maker in the SMSF due to illness or death may result in administrative and compliance matters being overlooked, which can lead to penalties. This can be easily avoided if a succession plan is implemented.

Every SMSF trustee needs to consider formulating this plan sooner rather than later. Without the mechanisms to enable a smooth transition when the time comes, you risk having the wrong people taking control of the SMSF, which could lead to decisions that may be detrimental to the members' interests.

Elements of an effective SMSF succession plan:

A succession plan for your SMSF ensures that an appropriate person steps in to "take over the driving" when you can no longer. That is, deciding who will control your SMSF after you pass away or lose mental capacity and ensuring clear directions are in place for a smooth handover. It also ensures that your instructions around distributing your member benefits are safeguarded.

The mechanisms to transfer control are contained mainly within the SMSF's trust deed and the Constitution (if the SMSF has a corporate trustee). The importance of the trust deed cannot be underestimated, as it is the deed that mandates what an SMSF can and cannot do. A good succession plan ensures the deed contains all the necessary powers to distribute the members' death benefits as intended, including:

- Permitting an executor or legal personal representative (LPR) to be appointed in place of the deceased or incapacitated trustee;
- Outlining who has the power to appoint a new trustee on the death or incapacity of a member;
- Permitting reversionary pensions to be paid.

The corporate trustee's Constitution sets out the SMSF's decision–making rules, making it clear whether a majority or other voting threshold is required or whether decision–making is based on the member's balance.

Appoint an Enduring Power of Attorney for each member:

Ensuring that each member of an SMSF has an enduring power of attorney (EPOA) is essential to a good succession plan. (An "enduring" POA is recommended as this type of POA continues to operate even if the donor becomes incapacitated). Having an EPOA in place makes it easier to keep the SMSF running smoothly, as the attorney can step in and take over the administration and make decisions regarding the SMSF's investments and payment of benefits if the member loses capacity or become seriously ill. On this note, it is essential to ensure that the EPOA has express powers to deal with superannuation, including the ability to make a new binding death benefit nomination (BDBN) or to revise an existing one.

Trustees would know that running an SMSF is a significant responsibility. Choosing your EPOA cannot be treated lightly, as it involves enormous trust. It is also recommended that the donor reviews the EPOA regularly to ensure the attorney remains appropriate for the role.

Ensure each member has a valid Will:

As long as it is permitted by the SMSF's trust deed, the LPR of a deceased member – i.e. the executor of their estate – can step in as trustee until the member's benefits start to be paid. After the benefits have begun to be paid, the LPR must resign, and the SMSF has to restructure if it is to continue. For an executor to step into this role upon the death of a member, make sure that each SMSF member has a valid Will in place that specifies who the executors are.

The member also needs to ensure their Will is updated every time their family or personal circumstances change, e.g. they marry, divorce, start a family, or divest of an asset mentioned in the Will.

Put in place a Corporate Trustee:

GFM strongly advocates putting in place a corporate trustee – i.e. a company acting as the SMSF's trustee instead of individuals. When transferring control from one trustee to another, the administration is much easier when a corporate trustee is in place. This is because the name in which each of the SMSF's assets is registered doesn't need to be updated upon a change of trustee. This benefit is particularly relevant for those who intend their SMSFs to be multigenerational or who plan to add or remove members down the track. Furthermore, unlike individuals who pass away, companies can continue indefinitely, allowing the SMSF to keep operating.

Binding Death Benefit Nominations:

Good succession planning provides certainty when paying a member's death benefit, enabling the payments to be tax-effective. Putting a BDBN in place ensures that the member's instructions regarding who receives the benefit are carried out. However, the document must be valid – if it is invalid, the decision as to who receives your death benefit is left to the remaining trustees. A BDBN can be invalid simply because it wasn't correctly witnessed or if ineligible beneficiaries had been chosen (for example, a brother, parent, or grandchild).

Choosing an appropriate successor trustee whom you trust implicitly is critical. You may have a carefully thought–out and valid binding nomination in place. However, if control of your SMSF passes to the wrong person, your instructions for how your death benefit is distributed may not be carried out under your wishes.

Reversionary Pensions:

Arranging for your SMSF pension to automatically revert to a beneficiary (such as a spouse or minor children) ensures that the pension does not cease upon the member's death but continues seamlessly, thereby providing certainty as to who receives the death benefit. It can also be tax effective as the beneficiary automatically receives the pension upon the deceased member's death, eliminating the need to sell assets to pay the benefit.

As long as the BDBN and reversionary documentation align and do not contradict each other, the combination of these two mechanisms ensures that the right person receives the benefit with administrative ease and in a tax-effective manner.

Keep all parties informed:

Lastly, ensure you continually keep your advisers, family members and any intended replacement trustees informed of your SMSF succession planning to ensure they understand your wishes and that each party is prepared to act on them. Also, ensure they are provided with detailed instructions, so they know what to do if you become incapacitated or when you pass away.

Conclusion:

Succession planning in an SMSF should be carefully considered by all SMSF members and formulated as early as possible. Unforeseen events such as illness, incapacity or death can happen at any time, so it is essential to have a contingency plan in place, which has been discussed and agreed to by all members of the SMSF. A well–constructed BDBN, trust deed and other documents, a corporate trustee, and properly drafted documents to ensure the right people are in control of the SMSF are critical elements of an effective succession plan. Thinking ahead and planning for all possibilities keeps you in control and brings peace of mind. Please don't hesitate to contact our office if you would like to discuss putting a solid plan in place.

EXTENSION OF MINIMUM PENSION REDUCTION & CONTRIBUTION ELIGIBILITY CHANGES

By Sam Eley

For those in the pension phase, the Government has extended the 50% reduced minimum pension requirement for FY23. The 50% reduction was introduced in FY20 due to the onset of the COVID–19 pandemic and the significant market shock. It has been continued over the past two financial years in light of challenging economic circumstances and uncertainty, providing those in the pension phase greater flexibility for their income drawdowns.

Age at 1 July each year	Temporary minimum drawdown rates end 30 June 2023*	Default minimum drawdown rates start from 1 July 2023^
Preservation age to 64	2%	4%
65 to 74	2.5%	5%
75 to 79	3%	6%
80 to 84	3.5%	7%
85 to 89	4.5%	9%
90 to 94	5.5%	11%
95 and over	7%	14%

It is expected that default minimum pension rates will revert from July 1 2023, meaning many pension phase members will be required to take much larger pension payments than they have been accustomed to over the past few years. For some, this can create a problem in accruing significant amounts of surplus cash outside of the superannuation environment (after all, there are only so many holidays and lifestyle assets to purchase!).

Should the pension drawdown requirement be more significant than the cost of living, these funds can be contributed back into superannuation (subject to eligibility).

Recent rule changes to remove the work test for those between the ages of 67 to 74 at the start of the financial year means there is much greater flexibility in making superannuation contributions later into retirement. The work test still stands for those seeking to make concessional contributions to super (contributions for which you wish to claim a tax deduction). However, for non–concessional contributions (contributions in which no tax deduction is claimed and no contributions tax applies), there is an opportunity to recontribute pension payments back while under the age of 75.

As an example:

Rose and Robert are 70 years of age and have an SMSF. Rose has $600,000 in the pension phase and Robert has $1,600,000 in the pension phase. They require $80,000 p.a. to live in retirement.

Over the past few years, due to the 50% minimum pension reduction, they have only been required to draw 2.5% p.a. each from their respective pension balances. For Rose, this is $15,000 p.a., and for Robert, this is $40,000 p.a. They have drawn above the reduced minimum over the past few years to meet their $80,000 p.a. expenditure.

However, from July 1 2023, their new minimum will revert to 5% p.a. Rose's new minimum pension would be approximately $30,000 p.a. Robert would be required to draw $80,000 p.a. This gives them a total pension of $110,000 p.a. This is $30,000 above their required income level of $80,000 p.a.

Previously, Rose and Robert would have no choice but to hold the surplus funds in cash or invest their personal names. Under the new rules, they could now look to recontribute this $30,000 as a non–concessional contribution for Rose.

INTRODUCING JONATHAN TOH AND JADE NG

By Paul Nicol

With great pleasure, we introduce two new members of our team, Jonathan Toh and Jade Ng.

Introducing: Jonathan Toh

Before joining GFM in March this year, Jonathan worked as a paraplanner for one of Victoria's largest not–for–profit superannuation funds. After starting his financial services career in paraplanning, Jonathan is excited to continue his studies to become a qualified financial planner.

Jonathan is an Associate Financial Planner and is primarily responsible for assisting our financial planners in managing client relationships.

Here's a quick Q and A with Jonathan:

Q. Your family?

I am from a family of 5 with my parents and two younger brothers. Our family migrated to Australia from Malaysia when I was around 15, and we've called Melbourne home ever since.

Q. Favourite holiday destination?

My favourite holiday destination would be Japan. The first time to Japan was a culture shock for me!

Q. Hobbies?

I'd say my hobbies would be playing sports and going to the gym. Over the weekend, I am usually at my local stadium playing basketball or volleyball. I enjoy staying active.

Q. Favourite food/drink?

This is tough because I'm a massive foodie, and it constantly changes. My mum's homemade Taiwanese beef noodle soup was the first thing that came to mind.

Q. Your proudest moment?

My proudest moment from a career perspective was when I completed my professional year to become a qualified financial planner.

Q. What sports do you follow?

Basketball is my go-to sport, so naturally, I follow the NBA. My team of choice is the Chicago Bulls. But recently, I've been following a bit of AFL, and my team is the Richmond Tigers.

Q. The best part of working at GFM?

The best part of working at GFM is the people; the team are all smart, helpful, driven and most importantly, passionate about their work.

Introducing: Jade Ng

Before joining GFM in June this year, Jade worked in many client-facing roles in various industries such as design, hospitality management and financial services.

Jade is a Client Services Assistant and is primarily responsible for greeting clients at reception, scheduling appointments and office administration.

Here's a quick Q and A with Jade:

Q. Your family?

My family consists of my husband, son and fur baby (Johnnie the staffy).

Q. Favourite holiday destination?

I don't have a favourite as I enjoy travelling and discovering new places, no matter where it may be.

The last place I visited was Tasmania, and it was amazing. My husband and I did a lot of outdoor activities such as hiking, quadbike riding and kayaking.

Q. Hobbies?

I enjoy travelling and being outdoors, i.e. hiking and visiting the beach. I also enjoy attending art exhibitions and dining out.

Q. Favourite food/drink?

I love food and enjoy trying new cuisines. If I had to pick my favourite, it would have to be from my roots – Malaysian, i.e. laksa and roti. I am also a big fan of desserts.

Q. Your proudest moment?

Becoming a mother – my son is a true blessing.

Q. What sports do you follow?

I don't really follow any sports, but I do like to watch tennis and the Olympics. I am an Essendon supporter when my husband is watching the footy!

Q. The best part of working at GFM?

The team at GFM are super welcoming and supportive.

NEW FINANCIAL YEAR: LODGEMENT DATES

By Andrew Goldman

We are already at the end of the second month of the 2022 Financial Year. Before we know it, it will be Christmas again, so it seems appropriate we remind of some lodgement deadlines already on the horizon.

Below are some key due dates to December 31, 2022:

August 21	Lodge and pay July 22 monthly activity statement
August 28	Lodge and pay June 22 quarter activity statement if lodged electronically.
September 21	Lodge and pay August 22 monthly activity statements
October 21	Pay annual PAYG instalment
	Lodge and pay September 22 monthly activity statement
October 28	Final date for electing or opting out of paying GST by instalments
	Lodge and pay September 22 quarter activity statements lodged by paper
October 31	Lodgement of 2022 and prior income tax returns where 2021 or prior returns were overdue as of June 30, 2022
	Lodgement of 2022 returns where the ATO has notified a lodgement date of October 31
November 21	Lodge and pay October 22 monthly activity statements
November 25	Lodge and pay September 22 quarter activity statements if lodged electronically
December 21	Lodge and pay November 22 monthly activity statements

The final tax return due date falls on May 15 2023 for all taxpayers that did not have an earlier due date.

Clients are encouraged to prepare documents and arrange the required information well before their due date, and this will allow us to prepare your return for lodgement by the due date.

Please note that in cases where your return has been prepared in advance of your effective due date and you have a tax liability, we can defer lodgement until your due date and thus defer payment. This means that you will benefit from having advanced notice of any tax liability well before lodgement and paymentis due. You will be in a better position to budget your cash flow accordingly.

Remember, we can arrange for you to meet with one of our GFM Gruchy accountants in person at our offices, over the telephone or via video conference.

Each year more and more GFM Wealth clients are taking advantage of the efficiencies offered by having their tax returns (SMSF, business and personal) prepared by GFM Gruchy Accounting.

CENTRELINK DEEMING RATES AND THE COMMONWEALTH SENIORS HEALTH CARD

By Jonathan Toh

The Government has pledged to freeze the current deeming rates for the next two years until 2024. This ensures Centrelink payments will not be heavily impacted due to increased earnings from deposit accounts held by social security recipients. This is estimated to benefit approximately 900,000 pensioners.

What is deeming?

Deeming calculates how much income a person earns from their financial assets and forms part of the income test to determine whether a person qualifies for any Centrelink benefits. The most common examples include:

- The balance of a bank account, including term deposits;
- The amount held in an offset account;
- The value of listed and unlisted shares;
- Managed investments;
- The balance of your super accumulation account (once you reach your Age Pension age) and certain retirement income streams; and
- Amounts that you have gifted that are over the allowable gifting limits.

If the return on your investment assets is higher than the deemed rate, the Government will not count the extra earnings as part of your income. Anything above the rate will not be counted towards the income test for any social security payments or benefits. Therefore, the lower the deeming rate, the more you can earn from your investments without affecting your age pension.

Current deeming rates (From July 1 2022)

Deeming rate	Single	Couple
0.25%	First $56,400	First $93,600
2.25%	Above $56,400	Above $93,600

Note: The deeming thresholds are indexed on July 1 each year in–line with the Consumer Price Index (CPI).

Commonwealth Seniors Health Card

To qualify for the CSHC, you will only need to meet an income test as an asset test does not apply. The income test is based on the adjusted taxable income (ATI), which includes:

- Taxable income
- Foreign income
- Tax-exempt foreign income
- Total net investment losses
- Reportable fringe benefits
- Reportable superannuation contributions, and
- Deemed income from certain superannuation income streams

You must also be:

- Residing in Australia;
- An Australian resident, a holder of a permanent residency visa or a holder of a Special Category Visa;
- Not be in receipt of a Government pension or benefit or income support supplement from the Department of Veteran Affairs (DVA).

CSHC may provide the following benefits:

- Cheaper medicine under the Pharmaceutical Benefits Scheme (PBS)
- Bulk billed doctor visits – depending on your doctor
- A refund for medical costs when you reach the Medical Safety Net
- Partial stamp duty reduction, depending on the State or Territory Government.

The Government has promised to raise the Commonwealth Seniors Health Card (CSHC) threshold. The CSHC is offered to Australians over Age Pension age who are not entitled to the Age Pension. Thus, the increased threshold is projected to see an extra 50,000 people qualify for the Card.

Below is the current and proposed eligibility threshold:

	Current Threshold	Proposed Threshold
Singles	$57,761	$90,000
Couples	$92,416	$144,000
Couples (Separated by illness)	$115,522	$180,000

Note: At the time of writing, the threshold change is yet to be legislated.

ESTATE PLANNING SEMINAR: CREATING CERTAINTY

By Mai Davies

On Wednesday, June 1 2022, we held our Estate Planning lunch seminar at Leonda by the Yarra. Our special guest presenter was Jennifer Dixon, Practice Leader at Moores Legal.

The seminar focused on a range of Estate planning topics, including wills, the significance of asset ownership, what assets are covered by a will, roles and application of Powers of Attorney, superannuation, estate disputes and elder financial abuse.

This seminar was extremely popular, and the feedback was excellent. Everyone appreciated the opportunity to attend such a valuable and insightful presentation.

Estate planning is complex, and it is essential to review your estate plan regularly.

GFM WEBINARS

By Mai Davies

We have recently held our fifth and sixth webinars for the year. As always, we were delighted to see so many interested clients and guests dialling in.

We held our fifth webinar for the year on Wednesday, June 22, providing an update on the Stewart Investors Worldwide Sustainability Fund.

James Malliaros, our Senior Financial Planner, and our special guest Nick Edgerton, an investment Analyst with Stewart Investors, discussed the current macroeconomic environment, Stewart Investors' investment process and current stock positions in the Stewart Investors Worldwide Sustainability Fund portfolio.

We held our sixth webinar for the year on Wednesday, July 27, providing an update on Perpetual Pure Microcap Fund.

Patrick Malcolm, our Senior Partner, and our special guests Jack Collopy, Portfolio Manager for the Perpetual Pure Microcap and Smaller Companies Funds and Alex Patten, Deputy Portfolio Manager, Perpetual Smaller Companies Fund, discussed Microcap investing, reflected on recent market events and provided an update on the Perpetual Pure Microcap portfolio.

If you have missed any previous webinars, they are on the GFM website. Click on the link below to watch the recordings of the previous webinars.

https://www.gfmwealth.com.au/news-info/past-webinars/

We will continue to run additional webinars and hope you can join us.

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