



BALLAST *BULLETIN*

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Act now to beat the new cap on voluntary superannuation contributions **DEADLINE JUNE 30, 2009**

If you have money to invest in superannuation it may be good idea to do it now before the new cap on contributions is introduced on July 1.

In the recent Federal Budget the government announced that from July 1, the concessional contribution cap (CC) will be reduced to \$25,000 (indexed) per year.

Take note too that the CC for individuals who turn 50 or more at any time over the transitional period (2007/8 to 2011/12) will be halved from \$100,000 to \$50,000 a year for the 2009/10, 2010/11 and 2011/12 financial years.

However, the annual non concessional contributions cap will remain at the current level of \$150,000

It's important to point out that CCs usually include Superannuation Guarantee (SG), salary sacrifice and personal deductible contributions.

If you are currently making total concessional contributions of more than

\$25,000 a year (or \$50,000 if aged 50 or over) you should make sure to reduce your salary sacrifice or personal deductible contributions from July 1 this year to ensure you don't breach the cap.

Keep in mind excess concessional contributions are subject to tax of 31.5% in addition to the 15% contributions tax.

If you haven't been making contributions to super (in addition to your SG contributions), it's important to appreciate that the need to start making contributions earlier in a financial year is now greater. The ability to make large, last minute concessional contributions has been diminished

A sound way to go about it is to start a regular savings plan into super to ensure you accumulate adequate retirement savings.

To get more information or advice on what action you should take immediately, call one of our superannuation specialists at Ballast.



Tax time

There's still time to benefit from expert advice!

It's that time of the year again. The end of the 2009 financial year is fast approaching!

Don't leave tax planning for the current financial year to the last minute. Even at this late stage it could be to your advantage to talk to the Ballast Accounting team, particularly if you have experienced a capital gain or an increase in income.

Our accountants have a vast array of experience in the accounting industry and are able to assist you and your business in all aspects of accounting including:

- Preparation of financial reports.
- Bookkeeping.
- GST advice and reporting requirements.
- Income tax returns for individuals, partnerships, trusts and companies.

- Preparation of self managed superannuation fund financial reports and income tax returns as well as audit services.
 - Taxation advice.
 - Liaising with the ATO for tax instalment variations, applications for new tax file numbers and ABNs.
 - Assistance with business structuring, set-ups and advice.
- If you need assistance in any of the above areas, give us a call. We are available for a discussion at your convenience.

Superannuation co-contribution
Your last chance to get \$1.50 from the Government for every dollar you invest! See story on Page 2



First home buyers Good news as Government extends grant!

Following the Federal Budget, first home buyers now have until September to enjoy the full benefit of the Government's First Home Owner Boost (FHOB).

First home buyers who sign contracts to purchase a newly built home between 14 October 2008 and 30 September 2009 are eligible for a one off payment of \$21,000 in terms of the FHOB scheme.

Those who purchase an existing home are eligible for a one-off payment of \$14,000.

If you miss out on the September deadline but make your move before December 31 this year, you will be entitled to a much lower government grant of \$14,000 for a newly built home and \$10,500 for an existing home.

Thereafter the grant will revert to \$7,000 for both newly built and established homes.

Take note though: following the recent State Budget, first home buyers buying homes worth more than \$750,000 will not be eligible for the grant.

The FHOB can be used as part or full deposit for a home loan which is intended to pay for the purchase or construction of an acceptable property.

It can also be used to pay any fees and charges or any mortgage insurance premium applicable to your new home loan.

See your finance broker if you need more details or would like to find out how you can take the first step to owning your own home.

Don't wait till the last minute. Right now, with the banks a lot more conservative when it comes to their lending requirements, the sooner you find out what you can borrow, the better.

Superannuation co-contribution Your last chance to get \$1.50 from the Government for every dollar you invest

As you may be aware the Federal Government announced in its recent budget that as from July 1 it will no longer contribute \$1.50 for every dollar you invest in your super fund from your after tax earnings.

As from July 1, the Government's co-contribution will drop to one dollar for each dollar that you contribute.

In other words, to enjoy the full benefit, you'd better move quickly and make sure to get your personal contribution into your super fund before June 30.

To be eligible to benefit from the Government's super co-contribution you will have to meet certain eligibility conditions.

Those individuals on an income of \$30,342 or less will receive the maximum co-contribution payment of \$1.50 for every \$1 of after tax contributions. The maximum co-contribution payment is \$1,500.

Those with an income greater than \$30,342 but less than \$60,342 will qualify for a progressively reduced government co-contribution, if they meet eligibility conditions.

The co-contribution scheme is also available to self employed people who earn 10% or more of their income from eligible employment, running a business or a combination of both.

Self employed business owners can now receive a co-contribution payment of up to \$1,500 if they make an after tax contribution this financial year of up to \$1,000.

According to the Federal Budget papers the reduction in the Government's co-contribution is temporary and its co-contribution matching rate will be gradually increased until it returns to 150% in 2014-15.

Conditions do apply so talk to a superannuation specialist at Ballast.

Ballast supports the MFAA

Ballast Finance has signalled its continued industry commitment by becoming the Platinum Sponsor for the Mortgage & Finance Association of Australia (MFAA) WA.

The MFAA established in 1980, is a leading provider of service and advocacy for mortgage brokers, finance brokers, mortgage managers, lenders and originators to assist them develop, foster and promote the mortgage and finance industry.

It has also announced its commitment to a Major Sponsorship of MFAA WA's Annual Golf Day.



50% tax rebate!

Is there a better time to buy equipment for your business?

If you're in business and are planning to buy a new vehicle or machine in the next year or two, now could be the time to make your move.

Why? Because of the announcement in the Federal Budget of an increase in the investment allowance rebate from 30% to 50% for businesses with a turnover of \$2m or less.

If you buy the equipment before the end of this year, and have it up and running before the end of next year, you will enjoy a tax deduction equal to 50% of the capital cost of the new equipment and motor vehicles.

This is in addition to the depreciation you may claim. This will entitle a small business spending \$30,000 on a delivery van to claim a tax deduction of \$15,000.

Bigger businesses still need to buy before June 30

Other businesses will still be entitled to receive the previous 30% rebate provided the equipment is purchased before June 30 this year and in use by June 30 2010.

They will be able to claim a 10 per cent rebate for eligible assets that they commit to investing in between July 1, 2009 and 31 December 2009.

Part of the Federal Government's stimulus package, the Temporary Investment Allowance applies to new assets only. There are also other requirements governing eligibility for the rebate.

See your finance broker to get all the details. Before making a move, be sure to discuss it with your financial adviser



Private health insurance rebates - age variations

The government has announced changes to the private health insurance rebate to take effect from July 1, 2010.

Currently the health insurance rebate is payable to anyone who took out cover with a complying private health insurance fund and is based on the premium paid.

The following is an indication of how the rebate will vary with age. Note: It is not certain that other intended changes to eligibility for the rebate will be passed into law. For this reason we have not included any details on these well publicised changes.

Age of the oldest person covered by the policy*	Amount of the rebate
Less than 65 years	30% of the premium paid
65 to 70 years	35% of the premium paid
70 years only	40% of the premium paid

Reductions in Personal Income Tax



In the Federal Budget, the Government announced that previously legislated personal tax cuts would go ahead as planned for the 2009/10 and 2010/11 financial years.

The following tables indicate how it will affect you.

Current		From July 1, 2009		From July 1, 2010	
Taxable income	Rate	Taxable income	Rate	Taxable income	Rate
\$0 - \$6,000	0%	\$0 - \$6,000	0%	\$0 - \$6,000	0%
\$6,001 - \$34,000	15%	\$6,001 - \$35,000	15%	\$6,001 - \$37,000	15%
\$34,001 - \$80,000	30%	\$35,001 - \$80,000	30%	\$37,001 - \$80,000	30%
\$80,001 - \$180,000	40%	\$80,001 - \$180,000	38%	\$80,001 - \$180,000	37%
\$180,001 +	45%	\$180,001 +	45%	\$180,001 +	45%

Income tax payable at selected taxable income levels (ignoring Medicare levy and tax offsets).

Taxable income	Current tax 08/09	Legislated tax 09/10	Legislated tax 10/11
\$30,000	\$3,600	\$3,600	\$3,600
\$35,000	\$4,500	\$4,350	\$4,350
\$75,000	\$16,500	\$16,350	\$16,050
\$80,000	\$18,000	\$17,850	\$17,550
\$150,000	\$46,000	\$44,450	\$43,450

Andrew joins the Ballast team

Ballast is pleased to announce the appointment of Andrew Grace as Relationship Manager.

Andrew has over 20 years experience in the financial services industry and comes to us from Mortgage Ezy (WA) where he was the State Manager.



Perth property sales up by 40%!

Driven by first home buyers, lower interest rates and affordable property prices, the Perth property market has recorded a 40% increase in sales in the March '09 Quarter.

According to REIWA's president, Rob Druitt most activity took place in the lower end of the market, with first home buyers responsible for some 40% of sales.

However, preliminary figures also showed increased activity in the +\$600,000 market.

Australia-wide first home buyers made up a record 27.3% of all home loans granted in March 2009, topping the previous peak of 26.5% set in January and February, according to the Australian Bureau of Statistics (ABS). Total home loans granted in March jumped by a seasonally adjusted 4.9% to 59,793 mortgages, the ABS said. WA had a 2% increase during the period to 6845.

Investors also showed the first signs of returning to the market, with investment loans rising 4.7% in March.

Recently, the Housing Industry Association said new home sales rose for a second consecutive month in February 2009.

Detached new home sales increased by 4.7% in the month and were up by 8% over the three months to February. In WA detached new home sales increased by 4.2% in February.

The number of home loans for new housing increased 18.4% in the March quarter '09 when compared to the December quarter '08

In his budget speech Treasurer Wayne Swan told Parliament the First Home Owner Boost had helped 59,000 Australians buy their first home.



Lost your super? Find it before the Government does!

From July 1, 2010, the Government will require superannuation providers to transfer certain lost superannuation accounts to unclaimed monies, including:

- Accounts with balances less than \$200 (small accounts);
- Those which have been inactive for a period of five years and have insufficient records to identify the owner of the account (insoluble accounts).

Former account holders will still be able to reclaim their money from the Australian Taxation Office at any time.

There are currently about three million lost accounts with balances of less than \$200 and fund managers and active members are expected to benefit from lower compliance costs as a result of this measure.

The measure will increase Government revenue by about \$230m over three years.



Karen moves on

Karen O'Grady, our Business Development Manager, finished with Ballast Finance on the 29th May.

We would like to thank Karen for her work and effort over the last four years and wish her all the best in her new ventures.



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