

Welcome

It's all happening



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Many of us have had the experience of being refused a loan by a bank we have been dealing with for years. Often this is the result of the bank not having been given the right information on which to base its decision. In our main article we focus on one such recent case.

With tax time just around the corner we also take a look at what investors can do to maximise their tax deductions.

In an important development we have established links with a British based finance broker (see separate article).

And for those morning people we have a few tips on how to stay awake during those all too long afternoons in the office.

Please take note that our Osborne Park office is now operating from new premises at Unit 1/185 Main Street (closer to the coffee strip). All other contact details remain unchanged.

Our thanks to all our clients and staff for helping us to attain a prestigious sales excellence award from Plan Australia, our mortgage aggregator. This is the second consecutive year that we have received the Business Master Level Award, which goes to Plan's Top 25 finance brokers.

We hope you find this issue of our newsletter enjoyable and informative.

Kind Regards,

Making the wrong decision could cost you

Without the right knowledge, getting an equipment loan can be an extremely frustrating and often fruitless experience.

This was certainly the case with Mr X (name withheld) when he recently relocated from NSW to WA.

Mr X required a car for his business so he approached the bank that he had been dealing with for many years.

To his surprise the bank knocked back his loan application. So he turned to us at All Finance Services.

During a consultation in our office, it soon became apparent that the bank had failed to properly investigate Mr X's circumstances. They hadn't asked him the right questions.

We got the required information and went back to the same bank which, to Mr X's surprise, then approved the loan.

This was just another example of how important know-how is when it comes to getting a loan for business equipment.

But it goes a lot further than knowing what lenders require. Even more important is ensuring that you choose a type of financing package that will benefit you.

If you don't it could have unfavourable tax or other implications.

Brokers who specialise in home mortgages may tell you that the quickest and least costly way of financing the equipment you need is to add it to your home mortgage.

This is not necessarily so. Also, in most cases it is not necessary to secure your car loan against your mortgage.

CONTENTS

- The wrong decision could cost you.....Page 1
- The smart way to a healthy financial future.....Page 2
- Investors - get those tax deductions now!.....Page 2
- A depreciation expert could save you a packet.....Page 2
- What will first home buyers save?.....Page 3
- Brokers performing well - survey.....Page 3
- Easier access to loan finance for UK-based expats.....Page 3
- WA tops population growth stakes.....Page 3
- Beating the mid afternoon slump.....Page 4
- Recipe.....Page 4
- Meet the team.....Page 4

In the end, it takes a broker who specialises in equipment finance to help you make the right choice.

For example, do you know the difference between hire purchase, a chattel mortgage and a trade lease?

We don't expect you to. But making the wrong choice, because a lender failed to take the time to look into your particular needs, could cost you.

We will be only too pleased to discuss your requirement with you at your convenience, whether you're looking for a car loan or wanting to finance some other piece of equipment for your business.

The smart way to a healthy financial future

Almost everyone can afford to take 10% of their weekly earnings to put aside in a savings account.

According to ANZ's December Economic Outlook, Australian household spending has been increasing steadily thanks to an increase in the average disposable income. The retailers are profiting from our increased wealth, but are you?

With fluctuating petrol prices, high housing costs and uncertainty over interest rates, 'budget' is probably a familiar word in most Australian households.

But instead of budgeting - just the word gives many of us the shudders - why not try some of these smarter spending strategies to help you reach your financial goals sooner?

Know where your money goes:

Everyone should have a plan outlining their financial commitments and detailing their long-term goals.

Knowing where your money is committed month on month is an important step to saving in the long run.

The 10% rule: Almost everyone can afford to take 10% of their weekly earnings to put aside in a savings account; by taking the money out directly you won't even notice that it's gone.

This is a much better saving practice than keeping an excess amount readily available, as it removes the temptation to buy non essential treats just because you have the cash on hand.



Weekly allowance: Give yourself a weekly allowance making sure you have enough to purchase all your grocery needs, with a little extra for incidental spending and other expenses.

Keep this money in a separate account to your savings.

Keep debt in check: Avoiding additional debt from credit cards is essential as they can attract huge interest rates.

Use the savings taken from your salary instead to make large purchases; another option to consider is to take out a personal loan, which typically charges interest at a lower rate.

Increase your mortgage repayments:

Try upping the contributions you make to your mortgage each month.

The more cash you put towards your home, the faster you'll be able to unlock equity to use for other projects or investments.

Being cash conscious doesn't mean you have to feel like you're on a strict budget.

But removing the excess from your account and planning how to spend your cash can make a big difference to your financial future.

Source: Plan Newsletter March 2007.

Investors get those tax deductions now!

Have you been thinking of making improvements to your investment property but just haven't got around to it?

Well, if you move fast, you still have time to undertake all those repairs or put in that reticulation system and claim the applicable tax deduction against this year's earnings.

Of course you should not take action purely to secure a taxation benefit in the current financial year.

Rather, any repairs of improvements should aim to improve a property's ability to attract and retain quality tenants, achieve higher rental fees and make it stand out from other rental properties.

Remember, that the most wanted features of rental properties are air conditioning, security and secure vehicle parking.

Others include gas appliances for cooking, hot water and heating, lock-up storage and reticulation.

A depreciation expert could save you a packet

Everybody knows all about the taxation benefits of negative gearing. However, there are many investors who fail to take full advantage of other substantial tax credits due to owners of investment properties?

One of the areas where many investors are missing out is depreciation.

So when should you take steps to ensure you are claiming the maximum allowable depreciation on your property? The short answer? When you buy the property. However, it's never too late to make sure you are getting it right.

To get the maximum tax benefit you should talk to people with particular expertise in this complex field, such as one of Perth's recognised property tax depreciation experts.

Depreciation specialists use their intimate, up-to-date understanding of tax laws and their construction costing skills to precisely determine what credits you are entitled to.

They will ensure that the maximum number of depreciable items is identified -



anything from the dwelling itself to capital works such as fencing, paving and even the garden shed.

And they will come up with a schedule which will clearly set out what you are entitled to claim for each depreciable item. In all likelihood, you will be able to increase your depreciation tax deduction.

It may surprise you but in many cases the tax benefits from depreciation could be as substantial as the rental income.

What's more, you will save yourself a great deal of time and you will avoid having to answer persistent queries from the taxation office.

WA leads population growth stakes

Western Australia has again led the population stakes, growing by 2% (41,200 people) in the year to September 2006, according to the latest figures released by the Australian Bureau of Statistics (ABS).

Over the same period, Australia's population increased by 1.3% (269,600 people) to just under 20.7 million (20,674,400). Of this growth more than half was due to net overseas migration.

Queensland came in with the second fastest annual growth (1.9%), followed by the Northern Territory, (1.6%), while Tasmania recorded the slowest at 0.6%.

Population estimates for the states and territories at September 30, 2006 were: New South Wales 6,844,200, Victoria 5,110,500, Queensland 4,070,400, South Australia 1,558,200, Western Australia 2,061,500, Tasmania 489,600, the Northern Territory 207,700, and the Australian Capital Territory 329,500.

What will first home buyers save?

First home buyers will in future pay no stamp duty if they purchase a home priced up to \$500,000. This represents a doubling of the previous stamp duty exemption threshold which stood at \$250,000. The exemption phases out for homes valued between \$500,000 and \$600,000.

How much will first home buyers save? This table provides a comparison of stamp duty amounts paid by first home buyers on a range of house prices, under the previous and new thresholds. Keep in mind that first home buyers can in addition receive the \$7,000 First Home Owners Grant.

STAMP DUTY PAYABLE ON FIRST HOME PURCHASE	Home Value	Up to 9 May '07	From 10 May '07	Saving
	\$	\$	\$	\$
	250,000	0	0	0
	275,000	3,300	0	-3,300
	300,000	6,600	0	-6,600
	325,000	9,900	0	-9,900
	350,000	13,200	0	-13,200
	375,000	14,450	0	-14,450
	400,000	15,700	0	-15,700
	425,000	16,950	0	-16,950
	450,000	18,200	0	-18,200
	475,000	19,450	0	-19,450
	500,000	20,700	0	-20,700
	525,000	22,050	6,525	-15,525
	550,000	23,400	13,050	-10,350
	575,000	24,750	19,575	-5,175

Brokers performing well - survey

As members of the Mortgage and Finance Association of Australia (MFAA) we welcome the findings of a mystery shopping survey that indicates an overall solid performance by mortgage brokers.

Commissioned by the MFAA, the first annual mystery shop of 104 MFAA brokers around Australia was undertaken to determine how compliant and customer focused the industry is and to use the findings to improve standards among the association's membership and the wider mortgage industry.

MFAA Chief Executive, Phil Naylor, said "it is pleasing to see from the survey that the majority of MFAA brokers are meeting consumers' expectations of them.

"Brokers were rated above average across all areas of the services they

provide, performing particularly highly when it came to customer focus, knowledge of products and honesty and integrity."

While the survey revealed few instances of brokers acting contrary to the MFAA Code of Practice, Mr Naylor said the mystery shop found areas where the industry could do better.

"We are working toward improving the shortcomings that were revealed through our broker education and awareness initiatives and by continuing to enforce our Code."



Easier access to loan finance for UK-based expats

All Finance has established an alliance with Daniel Mahony, a licensed finance broker located in the United Kingdom.

The move comes as a result of the increasing demand for property finance from expatriates living in the UK who are keen to invest in property back home in Australia.

It will also serve the needs of British migrants planning to settle in Australia.

If you have a friend or relative in the UK who may be interested in talking to Daniel please call our Joondalup office for details.



Beating the mid-afternoon slump

Struggling to make it through the last couple of hours of the afternoon? Try these five tips to get you through the entire day with loads of energy to spare!

1

Drink plenty of water. Even if you aren't being physically active your brain needs liquid to work too. Try and keep a bottle of water handy at all times and take a drink every 20 minutes or so.

2

If you're going to be sitting at your desk all day, a huge lunch will only make you feel tired and lethargic. Aim to have smaller meals that are spread evenly throughout the day so you aren't affected by a sharp drop in your blood sugar level.

3

As tempting as it can be to head to the nearest vending machine for an afternoon sugar fix, don't! Instead have an apple, dried fruit or yoghurt to give you long lasting energy.

4

Increasing your complex B vitamin intake through a vitamin supplement can really make a difference to your daily energy levels. So ask your chemist what would be best for you.

5

If you're really struggling, then it's time to get some fresh air. Take a walk outside for five minutes and do some deep breathing to clear your head. Why not volunteer to take the afternoon mail if you need an excuse to escape the office!

Source: Plan Newsletter March 2007



Recipe - Pam's choice

Barbecued Lemon and Sweet Chilli Prawns

Ingredients

- 1 lemon, medium, quartered
- 12 large uncooked prawns, deveined, shelled and tail intact
- 4 bamboo skewers
- 1/4 cup sweet chilli sauce
- 1 Tbsp lemon juice
- 1 Tbsp soy sauce
- 2 tsp grated fresh ginger

Preparation Time: 10 minutes

Cooking Time: 10 minutes

Method

1. Heat oiled grill plate or barbecue.
2. Thread a lemon quarter followed by 3 prawns onto 4 skewers.
3. Combine remaining ingredients, spoon over prawns.
4. Cook prawns on grill, turning frequently and brushing with remaining sauce mixture, or until prawns are cooked.
5. Squeeze juice from barbecued lemon over prawns before eating.

Hints

Soak skewers in cold water for 30 minutes before using to prevent them from burning on the barbecue.

Meet the team

We welcome to our staff three new housing loan consultants, Jenny Lewis, Peter Casserly and Brett Thompson. They are joined by Jenny McFarlane who has returned from maternity leave.

Joe Zappia is located in our Osborne Park office and Terry Gardiner, a licensed real estate agent, has joined our Osborne Park office as a personal assistant.