

# Newsletter

Volume 1, First Quarter, 2005

**HM**  
Henderson Matusch  
STRATEGIC WEALTH SOLUTIONS

## HAPPY NEW YEAR!

Our first newsletter for 2005 covers renovations, our referral program and items in the news: increased consumer competition and how you can benefit; investing for your children's future; and the new choice of superannuation funds legislation.

Regular newsletters will be sent during the last month of each quarter to keep you posted on what's happening at Henderson Matusch, changes in the industry or its regulation and how it affects you, and also to provide useful tips and advice to help you plan your financial future.

## RENOVATIONS TO OUR BRISBANE OFFICE

This time of year is a hive of activity with new year resolutions for some, and lasting change for others. It's no exception at Henderson Matusch. The new year will see the Brisbane office briefly relocating while undergoing extensive renovations.

These renovations will be completed around the end of February. During this time our telephone, fax and e-mail addresses remain the same while the business operates out of temporary offices located at:

**Level 5, Toowong Tower  
Sherwood Road  
Toowong QLD 4068**

These changes represent the continued growth and stability of the company in preparation for further expansion and improvements to service in the coming year and beyond. We look forward to welcoming you back in 2005.

## REFERRAL PROGRAM

Much of our success we owe to the ongoing support of our valued clients who voluntarily "spread the word" regarding our unique service offering. For this we sincerely thank you – however we want to go one step further.

The new year will see us reviewing our referral program based on your feedback to offer greater rewards to clients that refer family, friends and work colleagues.

In the meantime we will continue to offer the same benefits, with details of our new referral program to follow in our next quarterly newsletter to be released in March, so stay tuned.

## E-MAIL NEWSLETTERS

If you would prefer to receive newsletters via e-mail, please contact your adviser's office on the e-mail addresses below and we will add your details to our e-mail list.

Your privacy is assured and this list will remain confidential, for the purpose of e-mail communications requested. If at any time you decide you no longer wish to receive newsletters via e-mail you may request to have your name removed from the list.

## ARE YOU GETTING THE BEST DEAL?

With the start of a new year it's time to prepare your personal financial stocktake.

Thanks to increased competition in a range of consumer services and products, you stand to save a great deal of money by

switching providers. Whether it's a lower interest rate credit card, a cheaper mobile phone plan or even a better gas or electricity deal, the benefits of shopping around are there for the taking.

Too often we "set and forget", or worse lock ourselves in to extended contracts, either by not bothering to review our existing arrangements or denying ourselves the choice to access better alternatives.

You may have seen offers for three year contracts for your electricity which provide a direct debit discount on your bill payments, mobile phone plans which offer bonus gifts if you sign up for two years and credit card honeymoon rates which commit you to higher rates down the track.

But beware – these deals often end up costing you more in the long run. That introductory credit card rate of 3% reverts to 18% after six months and by choosing a cheaper phone plan, you might have been able to buy that mini iPod anyway. If you've managed to avoid such inducements it is worth looking around. The markets have moved to capture new customers, and the offers don't always involve gimmicks or long-term contracts.

■ Start by gathering all your current billing and contract information and consider whether you're satisfied with your existing services. Cost is an important factor, but so are service standards. You may be able to receive discounts for packaging services, such as combining home phone and internet with the same supplier.

■ Next consider what else is available. The [www.choice.com.au](http://www.choice.com.au) website contains a range of articles and online calculators

Henderson Matusch Pty Ltd, ABN 32 107 343 091, AFSL 274484

Level 8, 160 Edward Street  
(PO Box 314)  
Brisbane QLD 4000

Telephone: 07 3229 3688  
brisbane@hendersonmatusch.com.au

Suite 2, 115 Nerang Street  
Southport QLD 4215

Telephone: 07 5527 1688  
southport@hendersonmatusch.com.au

Level 1, 72 Marine Parade  
(PO Box 135)  
Coolangatta QLD 4225

Telephone: 07 5536 7000  
coolangatta@hendersonmatusch.com.au

designed to help you find the best deals.

■ If you are satisfied with your existing provider, see whether they'll give you better terms. Contact your provider with details of what you'd like and see whether they'll meet your request to keep your business. Some consumers were able to have their annual credit card fee waived, other fees and costs reduced or additional services added.

■ If you're not satisfied, consider switching. However before you do, check what "break" costs you might incur. If you are signed up to an extended contract, you may have to pay it out before you can walk. Ensure that you'll still come out ahead if you do end up paying to get out of the contract.

These savings can add hundreds of dollars a month to your household income which can be used to reduce debt or increase funds available for investing.

*Australian Consumers Association*

## INVESTING FOR YOUR CHILDREN'S FUTURE

The world is changing at a rapid pace. Our children will be exposed to a greater range of career opportunities and greater competition for those opportunities.

Without a solid education the door to many of those opportunities will remain firmly shut, and a good education costs money, a lot of money. Starting early and following a few basic investment principles can ease the financial pressure of saving for your children's education.



### A costly necessity

A recent study indicated that families spend between \$50,000-\$75,000 on child-care and education per child. With the cost of university tuition increasing and the level of government support uncertain

these costs are likely to increase. Between the ages of 15 and 18 these costs peak, and are at their second highest between 19 and 24. So how does the average family cope with the financial pressure of this costly necessity?

### Investing for long term growth

The key is to be prepared and plan ahead. A simple long term investment plan is the best place to start and managed funds provide an excellent way to meet these long term savings needs. For as little as a couple of thousand dollars you can benefit from a diversified portfolio of growth assets, such as shares, managed on your behalf by skilled investment professionals.

### Saving made easy

There is no time like the present when it comes to saving for your children's education and you don't need to have a lump sum to make a start. One of the most effective strategies is to gradually build wealth over time. With managed funds saving is made easy with savings plans that allow you to make a small, but regular monthly contribution of as little as \$200 a month and will allow you to harness the power of compounding (steadily growing investments over time) and dollar cost averaging (buying less when prices are high and more when prices are low).

### Long term approach, long term rewards

Recent times have reminded investors that investing in growth assets such as shares can be risky, but there are ways to minimise the risk and still make your investment work for you. Maintaining a long term approach is vital when faced with uncertainty in investment markets, and the longer you remain invested the better the chance of your investment portfolio meeting your long term performance and savings goals.

*J B Were*

## CHOICE OF SUPER FUNDS

Choice of superannuation funds was first proposed in 1997/98 Federal Budget. Having been previously defeated the Superannuation Legislation Amendment Bill 2002 passed the Senate in June 2004 and will commence 1st July 2005.

### Does choice of superannuation funds currently exist?

There are no provisions for choice of fund by an employee under the Superannuation Guarantee Act 1992 and an employee is not able to choose the superannuation fund to which their employer is to make compulsory SG contributions on their behalf.

### Which employees are subject to choice of superannuation fund legislation?

Non-award employees, federal award employees, employees for whom there are no superannuation provisions in the relevant award, certified agreement of Australian Workplace Agreement (AWA), and defined benefit members that have reached their maximum accrued limit.

### How will the new choice of superannuation funds regime operate?

The choice of superannuation funds regime will only apply to the compulsory SG contributions (currently 9%). Within 28 days from the introduction of the new rules 1st July 2005 employers will be required to give their employees a Standard Choice Form which will allow the employee to nominate the superannuation fund to which their contributions will be paid. If the employee does not nominate the superannuation fund then contributions will be paid into a default fund nominated by the employer, which must be an Eligible Choice Fund.

### What is an Eligible Choice Fund?

A fund is an Eligible Choice Fund at a particular time if it is a complying superannuation fund or scheme, retirement savings account, fund that can provide a benefit certificate proving it is a complying superannuation fund or scheme or a complying superannuation fund to which the employer has made contributions.

### Your adviser

The introduction of choice of superannuation funds regime is a positive step in the evolution of Australia's superannuation and retirement savings system. Your adviser is crucial to the smooth introduction of choice and guiding you in making the right decision.

*Advance*

**WARNING:** Henderson Matusch Pty Ltd, ABN 32 107 343 091, AFSL 274484 (Henderson Matusch) has made every effort to ensure the information in this newsletter is accurate, however its accuracy, reliability or completeness is not guaranteed. Henderson Matusch expressly advises that it shall not be liable in any way whatsoever for any loss or damage which may be suffered by any person relying upon such information or any opinion, recommendations or conclusions contained in this document or otherwise arising in connection with the content of or any omission from this document except where a liability is made non-excludable by legislation. No part of this report is to be construed as a solicitation to buy or sell any financial product/s and recipients should not rely upon the contents of this document but should make their own assessment and evaluation, undertake investigation and enquire and seek appropriate advice to enable them to make any decision concerning their own interests.