



CAN YOU
BELIEVE
IT IS
ALMOST
2020?
2019 HAS
PROVED
TO BE YET
ANOTHER
BUSY YEAR!



BUSINESS UPDATE

In our last newsletter we announced our move away from Financial Wisdom Ltd (FWL) to our own AFS License, Parrish Advisory – this became official on 10 July and we have not looked back! Unsurprisingly, CBA announced in August, their intention to cease providing licensee services to FWL by June 2020. From the ‘noise’ we hear in the industry, as well as firsthand friends and acquaintances; life has become pretty frustrating for those who remained behind.

In hindsight, it has been a great decision, particularly in the current industry climate. Each of the big banks have since come out and announced their plans to move

away from financial advice which has caused quite a bit of upset for many businesses. Many have already started slashing jobs. The industry has undergone a major shake-up and will continue to undergo more changes in the short-term.

What a difference that ‘foresight’ and ‘forward-planning’ has given us; and of course, it would not have been possible without the reliable and hard-working team. A huge THANK YOU to the entire team and also to each of you, our valued clients, for your continued support (and patience) during the transition.

STAFF UPDATE

As many of you would have already encountered, Clarence (affectionately known as Clarry) joined our Client Service Officer (CSO) team in September.

He joins us with 8 years industry-experience up his sleeve; after spending the majority of this time in a Paraplanning role. When asked what his favourite part of the job is; he admits that it's "the people". Whether it's the staff or the clients, he is finding the daily interactions incredibly positive and enjoyable.

Clarence is the devoted father of two (Sharpei and Zaryck); he enjoys cartoons and going to the movies and is an exceptional photographer. In

fact, Parrish Financial purchased his artwork which is displayed in the CSO workspace. It is a beautiful shot of the Esplanade at dusk – be sure to check it out when you are next in the office!

We are extremely happy to welcome Clarence into our ever-growing work family.



We welcome another new addition to the CSO team – Tanille joined us in October on a part-time basis. Tanille predominantly supports our adviser Rochelle Curtis and keenly raises her hand to take on any overflow from the support needs of Matthew's clients.

Tanille has been a busy-bee the last couple of years; in September, she married her long-term partner, Jamie, who is in the Navy; and together that have a gorgeous son, Asher (21 months). They have deep roots in Cairns and plans to stay for the foreseeable future – together, they built their first home in 2017.

Tanille has 5 years industry-experience; having worked for us when we were Menico Tuck Parrish; and left the industry to pursue a hairdressing apprenticeship. We are excited to welcome Tanille back and we're all enjoying her keen and bubbly personality.

Lee-Anne, after 15 years with the business, is moving to part-time next year and will generally work 2 days a week (1 in the office and 1 remotely); now focusing on her area of expertise, being Accounts.

In July of this year, her and husband Barry moved into their new home in Malanda and are loving their tranquil lifestyle. With some extra time up her sleeve, Lee-Anne hopes to be in the veggie garden at last, be a more hands-on Granny for their grandchildren, and to re-engage with some passion-projects including signing for the deaf community. Supporting deaf people in our community has been a long-term endeavor which is close to her heart.



Kristy and her long-term partner, Sid, are moving to Brisbane and with that decision, Kristy is sadly leaving us. We have enjoyed Kristy's pleasant demeanor and can-do attitude around the office and we wish her all the very best for her future.

PROTECTING YOUR SUPER (PYS)

Protecting Your Super (PYS) legislation came into effect from 1 July 2019. This legislation is designed to protect superannuation accounts from unnecessary erosion caused by insurance premiums and particular fees. The changes that now apply to super accounts are:

1. Super accounts with balances under \$6,000 that are inactive – i.e. where the fund has not received any contributions, rollovers or other transactions from you in the last 16 months – will be closed. The funds will be sent to the Australian Taxation Office (ATO). This will allow the ATO to consolidate these funds with any funds that you may have in active accounts.
2. An annual fee cap of 3% of the account balance on investment and administration fees applies to accounts with balances less than \$6,000 and exit fees cannot be charged.
3. Super accounts with insurance that are inactive for 16 months will have their insurance cancelled.

Please contact us if you have any questions or concerns!



AGED CARE ROYAL COMMISSION

Yet another Royal Commission in Australia! The Royal Commission (RC) into Aged Care Quality and Safety was established on 8 October 2018. The purpose of the RC is to look at how older people are cared for and work out what needs to change to make aged care services better. At the conclusion of the RC, a report will be written with suggested changes to make aged care services better for people who need them now as well as in the future.

The spotlight has been shone on this very important matter and Parrish Financial wholeheartedly support a deeper delve into the treatment of the elderly. Elder Abuse comes in many forms; from physical to emotional and beyond. The Financial Services industry is not immune from the ripple effects – financial abuse is a serious matter; one that we continue to do our part in educating others about. Our goal is always to assist those that have aged care needs in their family; and do so with a moral compass directing the way.

Aged Care advice is complex in nature and often an emotional drain for anyone involved. Due to the time and complexity of the work, our Aged Care Specialist, Rochelle Curtis, is available for our existing clients only at this point in time, due to only working part-time and raising a young family of her own. Please give us a call if you are in need of Aged Care advice and if we can't assist you, we can point you in the right direction!



CHRISTMAS JOKES

What Christmas carol is a favourite of parents?
Silent Night

What do you call a broke santa?
St Nickel-less

What did Mrs Claus say to Santa when she looked up in the sky?
Looks like rain, dear

INVESTMENT MARKETS SHRUG OFF UNCERTAINTY

Investment markets received a welcome boost from recent interest rate cuts, but caution is warranted as the US and China trade stoush continues.

Investment markets have held up well despite slowing economic growth as the US-China trade war remains unresolved. Every major asset class climbed into positive territory over the three-month period ended 30 September with S&P/ASX 200 Total Return Index gaining 4.2% and the MSCI World (Ex Australia) climbing 8% in Australian dollar terms.

The strong result was helped by the US Federal Reserve's decision to stimulate the economy by cutting rates in July and end quantitative tightening two months earlier than expected. The potential economic fallout from the US and China's ongoing trade battle has also been a key factor influencing central banks around the world.

In late-August, China announced retaliatory tariffs on about \$US75 billion of United States goods as the US began imposing 15% tariffs on a \$US125 billion list of Chinese consumer goods such as footwear and flat-screen TVs.

Trade tensions prompted a sell-off in the S&P 500 in late-July and early-August but renewed optimism and strong US economic data in early-September prompted the market to quickly regain most of those losses.

The European Central Bank also flagged new stimulus measures in response to weakening European economic growth, while the terms of Britain's exit from the European Union have yet to be resolved under new Prime Minister Boris Johnson.

Closer to home, the Reserve Bank of Australia cut official interest rates twice in June and July and again in October to a new record low of 0.75% with economic growth slowed by weak consumer spending. Australia's GDP expanded by just 0.5% in seasonally-adjusted terms over the June quarter, marking the worst annual growth recorded since the global financial crisis fallout in late-2009.

While wages growth has remained weak, strong net exports, infrastructure spending, and a growing population helped underpin growth. Recent personal tax cuts, combined with interest rates cuts, may also stoke consumer spending while east coast residential property prices have continued to strengthen after a long decline. National dwelling values increased by 0.8% in August, led by the Sydney market which gained 1.6%, according to property analyst CoreLogic.

While there are positive and negative factors at play, geo-political uncertainty and its impact on economic "growth means investment market volatility is likely to continue. As always, it's important to stick to a long-term strategy in times of uncertainty rather than reacting to short-term news.

WHY INVEST?

With the All Ordinaries Index (All Ords) in Australia and some overseas markets reaching record highs this year; you may be wondering whether it's a good time to invest. Consider these 'tips':

- Determine your needs and goals.
- Consider how long you can invest.
- Avoid timing the market; but rather, focus on time in the market.
- Diversify!

We can help you with all of the above. Whether it is for yourself, your children, or grandchildren; an investment plan is always a great idea!



NEW YEAR FINANCE RESOLUTIONS

Use this New Year to start something new, improve something you're already doing or simply review where you are tracking. Here are some basics to help with your success:

- Create a budget
- Track your spending (download an app!)
- Put credit cards on ice and use cash / debit only
- Save for an emergency fund
- Clear your credit card debt (and save interest!)
- Start an investment
- Set a long-term financial goal
- Teach the kids / grandkids about money
- Donate to a worthy cause you care about

SUPER FACTS FROM THE ATO

The ATO recently announced some interesting facts and figures relating to superannuation including:

If the December 2019 indexation figure is greater than 116.9 index points, the transfer balance cap will be indexed by \$100,000 to \$1.7million on 1 July 2020

53,000 applications were processed for the release of super under compassionate grounds with \$456 million released.

\$1.1 billion of downsizer contributions were made by 4,900 people for the financial year 2018/19.

3,300 people accessed \$39.4 million of superannuation under the first home super saver scheme (FHSSS) in the 12 months to 30 June 2019.

Two million super accounts reported cancelled insurance as a result of the Protecting Your Super Package.

\$3.98 billion of super is currently held on behalf of members by the ATO.

COMMUNITY SUPPORT / DONATIONS



Important Information: Parrish Financial Pty Ltd is an Authorised Representative of Parrish Advisory Pty Ltd AFSL No. 494108. This general advice has been prepared without taking into account your particular financial needs, circumstances or objectives, and is based on Parrish Advisory Pty Ltd's understanding of the economic situation as at the date of this publication. While every effort has been made to ensure the accuracy of the information it is not guaranteed. All investments are subject to risk, including loss of income and capital invested. Past performance is not a guarantee of future performance. You should obtain professional advice before acting on any of the information contained in this publication.