

# AMBLESIDE NEWSLETTER

WINTER EDITION  
JUNE 2022

## WHAT'S INCLUDED

- + A word from the principal
- + Market update
- + Welcomes
- + Federal election result
- + Baby news
- + Scams
- + Winter recipe



## A WORD FROM THE PRINCIPAL

Welcome to our winter newsletter.

We're well and truly into the recovery from COVID but this year is proving to be just as challenging. On the health side, many workplaces and families are feeling the effects of people being sick and in isolation. On the economic front we're being affected by fast rising inflation, low unemployment and the invasion of Ukraine. The share market constantly deals with external pressures like these, but it is leading to short term volatility.

I'm very excited to share the news that Caitlin is pregnant and due in October this year. Thank you to Caitlin for over eleven years of service and we hope to see her back here soon!

Nicole has nearly completed her journey towards becoming a fully qualified financial adviser. I can confidently say that after all the changes coming from the Banking Royal Commission, Nicole has completed the most rigorous and thorough training program ever devised. I'm looking forward to working alongside Nicole when she moves into a full time advice role.

With Caitlin leaving us soon, we have already started the behind the scenes work to ensure your service from Ambleside is unaltered. Our broader team, behind the advisers, continue to make sure everything runs smoothly.

The team here at Ambleside pride ourselves on the level of service we provide, and this can only be done with our exceptional staff. I've mentioned the wider effects of inflation in this newsletter and our business is not immune.

From 1<sup>st</sup> July we're introducing an annual indexation of 3% on your fees. Our fees have not changed since before I purchased the business in 2017. This decision comes from the rising costs of doing business and the importance of looking after our staff's real wages in an environment of high inflation.

After a couple of years of COVID break we're excited to announce our next movie night, which will also be a farewell for Caitlin. We're working through the details but please save the date for 10<sup>th</sup> August. We're planning to combine this with a formal opening of our new building and we'll have pre movie nibbles and drinks at our office.

## MARKET UPDATE

After several days of falls, the ASX200 index is currently at 6,827, down 10% from the all time high of 7,632 that was set in August last year.

Inflation is the major cause of this drop, but the other big contributors are the war in Ukraine and supply chain constraints.

**Inflation and interest rates.** Inflation has lifted to levels not seen for decades. US inflation recently hit 8.6% and it is expected the Australian figure will get to 7%. Central banks have responded by lifting interest rates but this is arguably happening too slowly. The Reserve Bank has moved twice already in lifting rates and we are now at 0.85%. Amazingly the rate rise in May was first time rates were lifted since November 2010! This means a whole generation of borrowers have never seen rates go up.

**Ukraine.** The global economy has continued to support Ukraine through sanctions on Russia and provision of weapons. Russia is a major energy and grain exporter, and these sanctions are lifting the price of these important commodities around the world. This is indirectly contributing to the energy crisis in Australia, which is seeing gas prices soar for the big industrial users.

**Supply chain.** Australia is heavily reliant on the import of spare parts and finished goods from China and around the world. This relies on Chinese factories and labour, and cargo ships to get everything here. All of these are under pressure with COVID still having an impact in China.

Unemployment in Australia remains very low at a record 3.9%, down from 4.2% at our last newsletter. The majority of employers are reporting big labour shortages and they can't find people to fill positions. Although borders have now reopened there's a delay getting the right people into the country.

Despite all these challenges, the economy is moving forward from direct impacts of COVID. We expect to see some volatility as inflation is managed and interest rate lifted to more normal levels.

# WELCOME JAN!

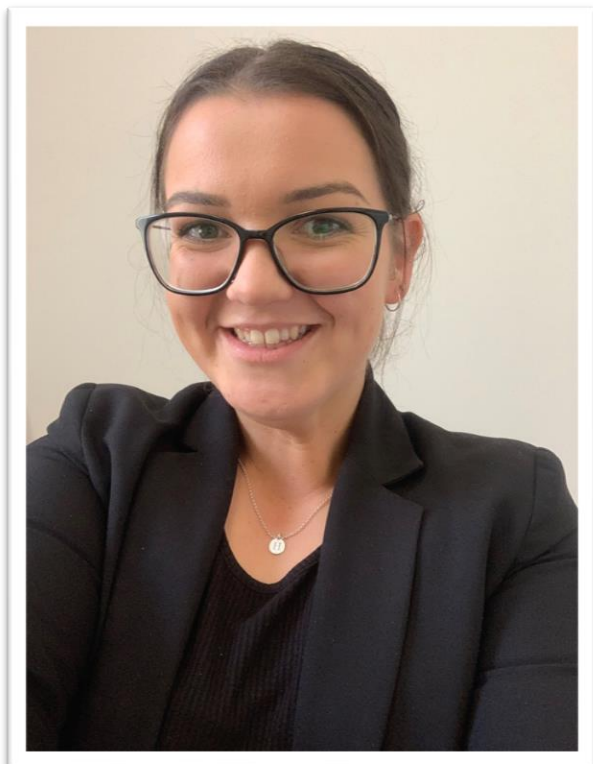
Jan is our new receptionist and will greet you with a smile when you walk into the office!

**Get to know Jan as she shares her 'fab four!'**

Favourite Dish: Papaya Salad  
Favourite Food: Chocolate  
Favourite TV: Korean Dramas  
Dream Holiday: Maldives



# AND BROOKE IS BACK!



Brooke is back working with us after having 12 months away with her little boy Huey. You will find her in the office on Tuesday's and Thursday's.

# “When the government changes, the country changes.”

Paul Keating, 1995

The federal election has been decided with Labor returning to government after being in opposition for almost 10 years.

Their policy platform was very different to what was put forward by Bill Shorten in 2019, where he proposed a number of ambitious changes affecting investors. Labor has officially abandoned changes to franking credits, negative gearing and capital gains and these did not feature in this years election.

The new government does face a number of challenges as we come out of COVID, especially in regards to increasing government revenue to fund tax cuts and debt repayment.

Over the page we have set out the key personal finance related proposals that Labor took to the election. Please note there is little detail at this stage and many will require changes to legislation.

Please let us know if you would like further information on these proposals.

Election proposal	Detail
Super: downsizer contribution	To reduce the age to 55 to be eligible to take advantage of the downsizer contribution opportunity.
Housing: help to buy scheme	Scheme allows eligible home buyers able to access a shared equity scheme to help purchase a home.
Housing: regional first home buyer scheme	The government will guarantee up to 15% of the eligible purchase price for a first home buyer in regional Australia.
Freeze deeming rates for social security	To freeze for two years.
Raise the income threshold to be eligible for the Seniors Health Card	This will result in more seniors being eligible to receive the Seniors Health Card.
Extension of a social security concession that exempts home sale proceeds from the assets test	In a case where a primary residence is sold and a new residence is not found within 12 months, the proceeds would be counted in the assets test. This proposal takes the 12 month exemption to 24 months.
Changes to the child care subsidy changes	Via a raft of measures, the cost of child care will be reduced and also subsidies will be extended to more families.

## GENERAL ADVICE WARNING

Any advice or information in this publication is of a general nature only and has not taken into account your personal circumstances, needs or objectives. Because of that, before acting on the advice, you should consider its appropriateness to you, having regard to your objectives, financial situation or needs. Past performance is not a reliable guide to future returns.



# EXCITING NEWS: AN AMBLESIDE BABY IS COMING!

My husband Josh, and I, are so happy to announce we are expecting our first baby in October this year!

Everything is going well and on track; I'm sure October will be here before we know it! Very exciting (and overwhelming) but something we are both looking forward to.

I have worked at Ambleside for 11 and a half years and am planning to finish work in September. It has been a genuine honour to work with each of you on a professional level and also a social level. I will definitely miss that.

Work wise, I will be in touch with my clients over the coming months. Either Nicole or James will join me in meetings with each of you and will take over from me moving forward.



I'm sure most of you (if not all) have already met both James and Nicole. I know you will be in safe hands.

I look forward to chatting with you over the next few months before I head off on my next journey. Somehow, I think I will still be seeing many of you around the district; with baby Walker in tow!

- Caitlin Walker



# PROTECT YOURSELF AGAINST SCAMS

Many of us have taken a phone call or two from someone posing as the ATO or Telstra, and requesting payment for an apparent outstanding bill. Generally, our instinct is to hang up on these callers and go about our day.

Unfortunately, scammers are getting increasingly sophisticated in their attempts to get your money and personal details. It was only a few weeks ago I was watching the heartbreaking story on Current Affairs of a widower who was scammed \$760,000 from her late husband's life insurance payout.

The victim wanted to invest the money in a term deposit and sought information online, where she came across what looked like a legit Macquarie Bank website. She then contacted the scammers, who posed as genuine bank employees.

The con artist advised her the bank offered a 2.5% term deposit and then instructed her to fill in forms and transfer \$760,000 into an account over 11 days. It wasn't until days later that she discovered she had been scammed and contacted her regular bank, CBA.

Macquarie has now placed a warning banner on their website, and the banks have advised recovery effects are being made. There is however no guarantee the funds will be retrieved.

Stories like these are ever-increasing so it's important we protect ourselves. Below are a few tips to remember:

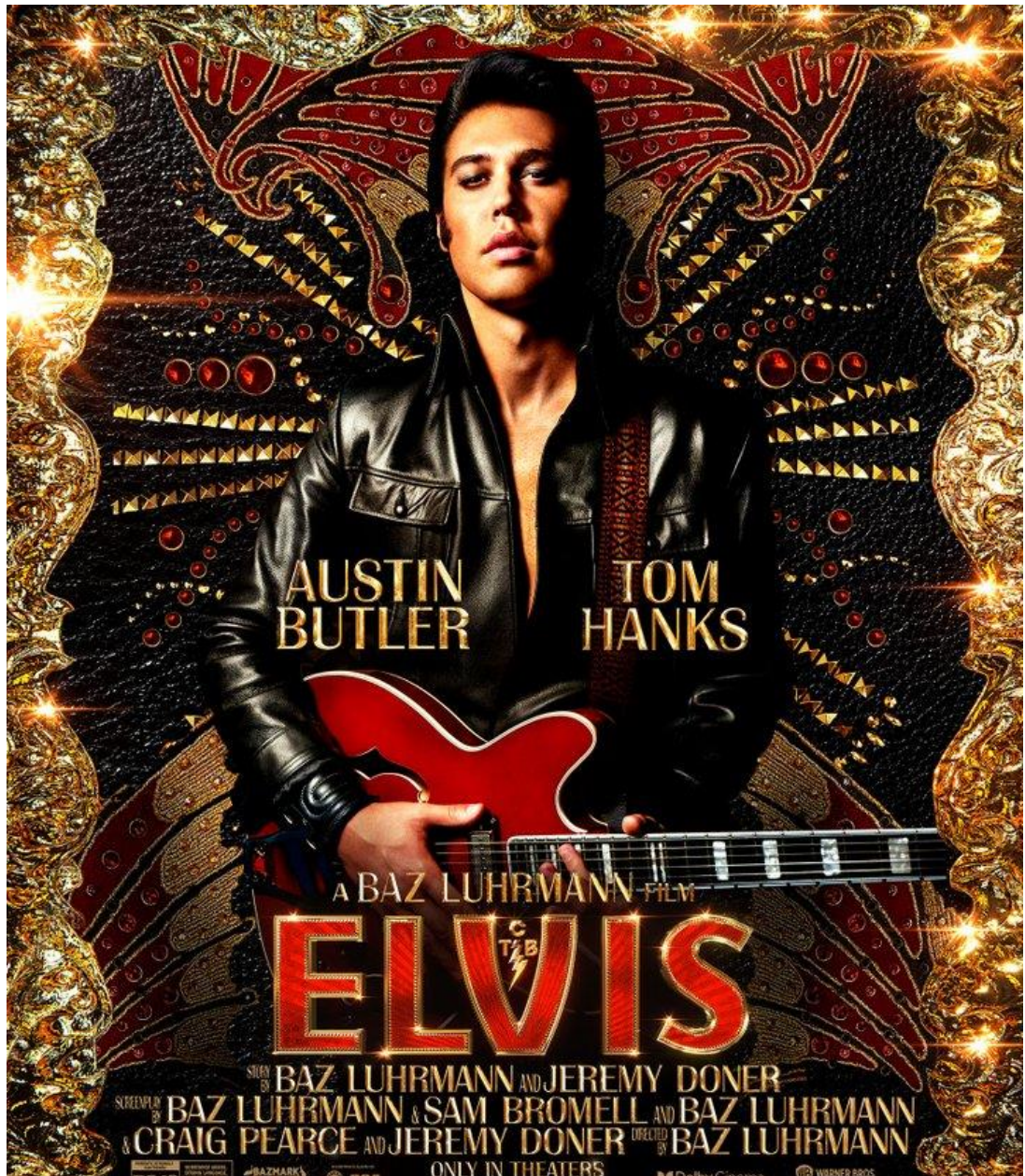
- **Be alert** that scams do exist whether this is over the phone, email, mail-in person, or social media. Remember, if it is too good it be true, it probably is.
- **Be aware** of who you are dealing with, Google search them (avoid using links sent to you), and when it comes to handling large sums of cash, request to meet the person face to face at their business premises, so you can look them in the eye.
- **Take the time** to think about a request you're receiving. Never give out your bank account details on the spot. Insist on requiring more time to make the financial decision, then use this time to speak to a trusted family or friend before going any further. No financial decision is ever so urgent that you can't ask for more time to get a second opinion.

If you would like more information about scams and what to look out for, check out the [www.scamwatch.gov.au](http://www.scamwatch.gov.au)

Please also contact our office if you have any concerns about scam calls or correspondence you may have received.

- Nicole O'Sullivan





## MOVIE NIGHT, SAVE THE DATE!

We are excited to announce that our Movie Night, and farewell for Caitlin, is back and will be held on Wednesday evening, 10<sup>th</sup> August.

We will be watching **Elvis**, a Baz Luhrmann film. Your official invite will be sent closer to the date.

# EASY CHICKEN AND SWEET CORN SOUP

## Ingredients

- 3 chicken thigh fillets
- 4 cups water
- 1 packet chicken noodle soup
- Salt and pepper
- At least 1 tablespoon of fresh ginger
- Large tin creamed corn
- 4 spring onions
- 1 tablespoon of cornflour
- White of 1 egg

## Method.

1. Cut the chicken into quarters. Place into the water and the packet of chicken noodle soup. Cook for 30 minutes.

Remove the chicken and chop into smaller pieces. Add the salt, pepper, ginger, corn, shallots and the cornflour. Once combined, add the egg white whilst stirring constantly.

To garnish you can add some extra spring onions.

