



Winter 2010 Newsletter

Commentary

Wow, what a huge end to the financial year!

Share markets were up during the first half then down during the second half, with ongoing major financial issues facing the world's markets; we expect that volatility will be with us for some time.

Amidst all this, most investment and superannuation portfolios had a positive year.

The Henry Tax review was released recently with only a few of the 138 recommendations being taken up by the government. One of these was intended to be the 'Resource Super Profits Tax', which seems to have been the straw that broke the Prime Minister's back. So, after an historic change at the top, and some wrangling behind the scenes, the tax remains, albeit watered down and less provocatively named the 'Minerals Resource Rent Tax'. A number of the other recommendations in the review were rejected and others still will eventually form part government policy going forward.

In recent months we have also seen the Parliamentary Joint Committee into Financial Products and Services report and the Financial Services' minister's response with what are known as the 'Future of Financial Advice' reforms. These are major changes which will help with transparency and conflicts of interest. The changes will

- Ban conflicted remuneration structures, including commissions
- Place a statutory fiduciary duty for financial advisers requiring them to act in the best interests of their clients; and
- Introduce a more flexible adviser charging regime, which clients will need to agree to annually.

We also saw the Cooper Panel release a preliminary report on Self Managed Superannuation Funds as part of its review into the Australian Superannuation System. The full report will be out shortly.

So, lots of changes for us to keep on top of, and we do! So if you hear something in the financial news that you don't quite understand or you'd just like more information, please give us a call.

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Feature Client : Niche Gas Products (NGP)

Niche Gas Products has vast experience in the world of compressed gases and therefore can offer tailored gas equipment solutions for customers ranging from industrial to food packing. Some examples of NGP's stock include a variety of gas torches and high pressure hoses to gas alarms.

NGP is also the exclusive agent for Witt Gastechnik and Global Passive Safety Systems. These agencies, together with their own manufacturing base, give them a unique position in their markets.

If you would like to visit NGP and have a chat with either John or Trevor their office address is

Unit 10, 1 Bell Street Preston

Phone : 9484 1490

Website : www.nichegas.com



Winter Warmers - Casserole of Beef, Red Wine & Chilli

A tasty and warming dish to satisfy hungry tummies; best consumed with a glass of red wine in front of a roaring open fire!

Ingredients

2 teaspoons low-fat dairy-free spread	410g can tomato puree
1.5kg lean beef chuck steak, cut into 3cm pieces	¾ cup (180ml) dry red wine
2 tabs coarsely chopped fresh flat-leaf parsley	¼ cup (125ml) beef stock
3 red thai chillies, seeded, sliced thinly	1.125 litres (4½ cups) water
¼ cup (20g) finely grated parmesan cheese	2 teaspoons dijon mustard
1 large brown onion (200g), sliced thickly	1 cup (170g) polenta
2 medium tomatoes (380g), chopped coarsely	2 cloves garlic, crushed

Method

Melt spread in large saucepan; cook beef, in batches, until browned all over. Cook garlic, chilli, mustard and onion in same pan, stirring, until onion softens. Return beef to pan with tomato; cook, stirring, 2 minutes.

Add puree, wine, stock and ½ cup of the water to pan; bring to a boil. Reduce heat; simmer, covered, about 1 hour 30 minutes or until beef is tender, stirring occasionally.

Meanwhile, bring the remaining litre of water to a boil in medium saucepan. Add polenta; cook, stirring, over medium heat about 10 minutes or until thickened. Stir cheese into polenta.

Stir parsley into beef casserole just before serving with polenta.

Source: <http://aww.ninems.com.au/article.aspx?id=784989>

Successful Negotiation

In business, or even just in life, we are often faced with situations in which we need to negotiate an outcome. Whether this is battling to get your child out of the bath, closing an international deal or settling a new supply contract, negotiation skills are useful on a daily basis.

Thoughtful preparation is crucial where the negotiation is complex in nature and a lot is at stake. You need to be mindful of the style you employ in your negotiations. For example, will you play hardball or take a softly, softly approach? Hardball is fine in some circumstances, for example buying a house, where no continued relationship with the parties is necessary. However, taking this approach with clients is a sure fire way to lose them!

Consider the following prior to entering negotiations:

- **Outcome:** what are your objectives in this process? What do you think the other person wants?
- **Trades:** What can you offer the other party? What does the other person have that you want?
- **Plan B:** what are your alternatives if you can't reach agreement on your major objective?
- **Relationships:** is there a power imbalance in the relationship? Could the relationship be damaged by the wrong approach? What would be impact of this?
- **Expected outcomes:** what outcome will the parties be expecting from this negotiation? What has happened in the past?
- **Consequences:** what are the consequences for you of winning or losing this negotiation? What are the consequences for the other person?
- **Possible solutions:** how might you be able to satisfy both parties' objectives (a win-win negotiation)?

ASIC Fee Increase

Commencing 1 July 2010 ASIC fees will be increased.

Some examples of fee changes are :

- Application for Registration as Australian Company - \$412.00 (previously \$400.00)
- Change of Company Name - \$340.00 (previously \$330.00)
- Notification of Charge - \$139.00 (previously \$135.00)
- Notification of Discharge or release of property from a charge - \$67.00 (previously \$65.00)
- Application for Voluntary deregistration of a Company - \$34.00 (previously \$33.00)

For more information head to their website : www.asic.gov.au

Meet our Team Member - Shaun Thatcher

Shaun joined PCM just on 3 years ago and heads up our Financial Planning division. He is married to Bonita and has 3 children.

When he is not at work Shaun enjoys spending time at home with his family and is a keen handy man and gardener.

During the cooler months Shaun can be heard cheering loudly and proudly for his for his footy team - Collingwood, cooking a hearty dish and enjoying a good bottle of red, sometimes all at the same time!



Matthew & Luke Thatcher

Community Involvement

You may not know it but Financial Planning week was the 24th - 30th of May. One of the initiatives this year as a special community service was aimed at helping the general public access financial planning simply and easily. It was known as the "Ask an Expert" campaign.

Our Financial planner Shaun Thatcher was invited to be part of the initiative which ran until the 30th June and he received a number of enquiries during the campaign.

We thought, why not start our own "Ask an Expert" panel and open it to all of our clients at any time? So if you've got a burning financial question, why not give Shaun a call or feel free to email him at any time at admin@pcmfinancialservices.com.au.

As always, your details and questions are treated with the utmost confidentiality and remember the only silly question is the one you don't ask!

Congratulations

To Brett Purchase for winning his A Grade Foursome Golf Tournament recently. Also congratulations to Domingos Mac for winning his C Grade Foursome Golf Tournament on the same weekend.



Footy Tipping Ladder



Well the footy season has well and truly started. Our footy tipping competition has some new members this year and the competition is tight. The current rankings as at Round 14 are :

- | | |
|-----------|---|
| 1st Place | Shaun Thatcher on 77 points |
| 2nd Place | Jacky Fitzpatrick & Fitzzy7098 on 76 points |
| 3rd Place | Here comes the Blues & Joan Zheng on 73 points. |



We say farewell and welcome.....

Farewell to Jess, who has left us to take a once in a lifetime opportunity of travelling the world with her friends for several months, and welcome to our new team member Kelly who has replaced her.