

### Welcome to David Marsden CFP®



Avery Gibson Financial Services is pleased to announce that David Marsden CFP® has recently joined the firm as a Senior Financial Adviser.

In welcoming David, Managing Director Tony Sirett said, "We are delighted to have David as a member of the Avery Gibson team. He is a highly qualified and experienced adviser who is passionate about helping clients to make smart choices with their money in harmony with their personal values."

David is a CERTIFIED FINANCIAL PLANNER™ professional with more than 16 years' experience as a wealth adviser. He holds a Masters in Personal Financial Planning from the University of Southern Queensland and is also a Justice of the Peace (Qualified). He specialises in providing strategic wealth management advice to clients on a broad range of financial matters, with particular interests in all facets of superannuation and the issues that affect pre-retirees and retirees.

David joins Tony Sirett, along with Rodney Gibson and Anthony Avery, to deliver high quality professional advice on the many financial issues that impact on the lives of our clients.

For more information on David Marsden and his areas of expertise, see the 'The Team' section on our website at [www.averygibson.com.au](http://www.averygibson.com.au). For an appointment with David, please call (07) 3252 9990 or email [david@averygibson.com.au](mailto:david@averygibson.com.au)

### Pension Drawdown Relief Extended for Self Funded Retirees

Drawdown relief for account-based pensions has been extended for the 2010-11 financial year.

A joint statement released by the Treasurer and Assistant Treasurer said that, as in the past two years, drawdown relief will be in the form of a 50 per cent reduction in the minimum payment amounts for account-based, allocated and market linked pensions, including Transition To Retirement (TTR) pensions.

Many self-funded retirees with account-based pensions have suffered significant capital losses on their pension portfolios due to the impacts of the Global Financial Crisis.

Drawdown relief over the past two years has helped retirees with account based pensions by reducing the need to sell assets at a loss in order to meet the minimum payment requirement.

Extending the drawdown relief for a further year will help retirees to recoup capital losses on their pension portfolios as equity markets recover over time.

While equity markets have recovered

### Features

- Welcome to David Marsden CFP®
- Pension Drawdown Relief Extended
- Top Five Quirky Economic Theories
- Did You Know?
- Superannuation Guarantee for 2010/11

to an extent over the past year, they remain well below the levels reached prior to the onset of the Global Financial Crisis.

Currently, it is a requirement that minimum pension payments be made from superannuation account-based pensions at least annually.

The minimum annual payment rule is designed so that retirees draw down on their superannuation capital over their retirement. The rule recognises that superannuation is designed as a retirement savings vehicle with substantial tax concessions.

Minimum payments are determined by age and the value of the account balance as at 1 July each year.

### Minimum Pension Factors FY10/11

Age	% factor	% FY10/11
Under 65	4	2
65-74	5	2.5
75-79	6	3
80-84	7	3.5
85-89	9	4.5
90-94	11	5.5
95 or more	14	7

Source: Treasury Press Release 30 June 2010

### Did you know?

The Australian Bureau of Statistics (ABS) reported the number of people employed increased by 26,900 people to 11.057 million, seasonally adjusted, in May 2010. The rise in employment was driven by an increase in full-time employment, up 36,400 people to 7.780 million that was offset by a fall in part-time employment, down 9,400 people to 3.277 million. This was the ninth consecutive month Australia has seen a rise in the number of people employed full-time.

The ABS reported that monthly aggregate hours worked showed an increase in May 2010, up 43.9 million hours to 1,574.5 million hours.

Source | Australian Bureau of Statistics | 10 June 2010

# We value your referrals.

## Top Five Quirky Economic Theories

Economic theories can live in the most unlikely of places, from make-up bags to the medicine cabinet.

There are a number of obscure economic hypotheses that have been known to provide guidance to budding economists over the years. Whilst at Zurich Investments our economic outlooks are based on more conventional and sound hypotheses, we thought you may find the following theories as entertaining as we did.



### 1. The Leading Lipstick Indicator

The Leading Lipstick Indicator centres on the premise that when the bull turns into a bear, consumers turn to less expensive indulgences, such as lipstick. This term was coined by Leonard Lauder (chairman of Estee Lauder), who consistently found that during tough economic times, his lipstick sales went up. In fact, the US reported that lipstick sales doubled after the September 11 terrorist attacks.

### 2. The Aspirin Count Theory

This abstract market theory discovered an inverse relationship

between stock prices and aspirin production. We're not aware of any formal testing on this theory, but it makes sense that as stock prices fall, more and more people need pain relief to get through the day.

### 3. The Big Mac Index

This index is based on the sound economic theory of purchasing-power parity (PPP), where exchange rates should equalise the price of a basket of goods in different countries. The Big Mac Index, first published in The Economist in 1986 and reviewed annually, has been successful in helping explain exchange rate theory to many investors. As of January 2010, The Economist reported that the most overvalued currency against the US dollar was the Norwegian kroner at 96 per cent above its PPP rate – in Norway, you'll pay US\$7.02 for a Big Mac. The Aussie dollar is considered to be slightly overvalued, with a Big Mac here setting you back US\$3.98.

In 2004, The Economist put a fresh spin on this index by introducing a Tall Latte Index reporting on Starbucks coffee. This didn't take off in Australia – much like the coffee itself. In 2007, the Commonwealth Bank got on the bandwagon with an iPod index but we still think the original burger indicator is the best.

### 4. The Packed Theatre Theory

It appears that when times are tough, people turn to the movies. Whether it's to escape the doldrums with some Hollywood glamour or because it's one of the cheapest forms of entertainment, box office sales in the US have increased during the last five recession years, according to the National Association of Theatre Owners.



### 5. The Laundered Shirt Theory

The international Drycleaning and Laundry Institute has reported that during an economic downturn, customers visit less frequently and leave clothes longer at the dry cleaners. The recent Global Financial Crisis (GFC) was no different, where the rise in unemployment reduced the demand for professional and formal clothing. In fact, IBISWorld estimates that revenue for the laundry and drycleaning industry will decline by 3.5 per cent over 2009-10 as a result of GFC-influenced changes to spending habits.

Source | Zurich

## Superannuation Guarantee

- The minimum Superannuation Guarantee (SG) contribution is 9% of an employee's ordinary times earnings
- The maximum earnings base requiring SG support in FY2010/11 is \$168,880 pa or \$42,220 per quarter
- The maximum earnings base requiring SG support in FY2009/10 was \$160,680 pa or \$40,170 per quarter
- The minimum earnings base requiring SG support is \$450 per month.

## Avery Gibson Financial Services Pty Ltd

Level 2, 54 Amelia Street, Fortitude Valley, Q 4006  
PO Box 1223, Fortitude Valley, Q 4006  
Ph: (07) 3252 9990 Fax: (07) 3257 7366  
Email: [admin@averygibson.com.au](mailto:admin@averygibson.com.au)  
Web: [www.averygibson.com.au](http://www.averygibson.com.au)

Avery Gibson Financial Services Pty Ltd. ABN: 45 119 229 980  
is a corporate authorised representative of Plan 2 Pty Ltd  
(ABN: 60 010 875 073) Australian Financial Services Licensee.  
Licence No. 237874

### Disclaimer

The information contained in Timely Tips is of a general nature only, does not take into account your particular objectives, financial situation or needs. Accordingly the information should not be used, relied upon or treated as a substitute for specific financial advice. Whilst all care has been taken in the preparation of this material, no warranty is given in respect of the information provided and accordingly neither Professional Investment Holdings nor its employees or agents shall be liable on any ground whatsoever with respect to decisions or actions taken as a result of you acting upon such information.

### Privacy

Your privacy is important to us. If you do not wish to receive information of this kind in the future, please contact Avery Gibson Financial Services Pty Ltd.