



Loan scheme real value for older Aussies

AS I sat in my study reading through all the bulletins that arrived by email the day after the Budget, my thoughts strayed across to New Zealand, where the top marginal tax rate is 33 per cent and where there is no capital gains tax, payroll tax or stamp duty.

How could they achieve such a miracle? By raising the GST to 15 per cent with no exceptions, and by having no tax-free threshold, which ensures that every earner pays at least a smidgen of tax.

Unfortunately in Australia, such financial utopia seems beyond the ability of our friends in Canberra. Every suggestion by one party is lampooned by the other.

It is fair to say that most of the Budget proposals seem reasonable, but most of them take effect in July next year, which will almost certainly be after the next Federal election. It will be a different landscape altogether if we have a change of government.

There are so many small changes that it will take a few Sundays to cover them all. So today, as the parents of baby boomers go into aged care and the baby boomers contemplate their own mortality, I will focus on the elephant in the room — the ageing population.

Everybody I have ever met wants to end their lives at home, but that's not always

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those who receive a part pension due to the income or asset test, and those who do not receive any age pension under either the income or assets test (but would receive at least a part pension under the other test).

The "top-up" payments are a loan secured against Australian real estate, which must be repaid when the property is sold or the client dies. The interest rate is a reasonable 5.2 per cent.

From July 1, 2019, the Government will extend the Pension Loans Scheme, both by extending eligibility to all clients of age pension age and by increasing the maximum amount in top-up payments from 100 per cent to 150 per cent of the maximum rate of the age pension.

This means maximum-rate age pensioners will be able to increase their income by up to \$11,799 (singles) or \$17,787 (couples) a year.

It seems a reasonable solution and an offer of real value to average Australians.

The Budget has a few more offerings for this group, as well as for higher earners and businesses. I will explore these in the next few columns.

Noel Whittaker is the author of Making Money Made Simple and other books on personal finance. His advice is general in nature and readers should seek their own professional advice before making any financial decisions.

this business to take care of your family, so you need to know it inside out.

Second, the benefit of understanding the true state of the business isn't just that you'll stress less, but that the two of you should be able to set some realistic 12-month business goals, both in terms of lowering costs and increasing income. Write them down, and review them at least quarterly.

I actually do this with my wife on our Date Nights.

At the start she was more "nah" than "yeah", but after seven years of being my partner in the business she's shown insights I would never have had.

Plus she's actually way more hard-nosed than me when it comes to negotiating deals.

Finally, I'd go out on a

The Barefoot Investor: The Only Money Guide You'll Ever Need (Wiley) RRP \$29.95



Barefoot Date Night and sketch out your buckets — Daily Expenses (60 per cent), Splurge (10 per cent), Smile (10 per cent) and Fire Extinguisher (20 per cent) — and base it only on a conservative estimate of your husband's income from his business. If the numbers stack up, it's time to become a mum.

I am never looking back
Tanya says: Six years ago I left my ex due to him punching me. It was the right thing to do, but it certainly set me back financially.

That is why I have found your book so amazing. I already feel much better about my situation. I have my new fee-free accounts set up with better interest rates, have been on the phone to my super, and have split my money into "buckets". This is the start of financial control, for my sake and my children's.

While I still feel anxious — as a single parent with a mortgage and \$8000 of debt (personal loan and credit card) — I feel more in control, and I know I've got this. I am never looking back.

Barefoot responds: What you've done is taught your kids two amazing life lessons. First, that domestic violence is not acceptable. Second, that you are strong enough to stand on your own two feet financially.

Happy Mother's Day!

Fewer work hours could be good for business

AFRIEND of mine is a procrastinator who takes a while to hit his full stride at work and somehow operates best when he is incentivised to get the work done at a pace quicker than he usually musters.

And by that I mean he can break into an unusual sense of workplace urgency to ensure he gets to the Friday night football match on time.

Yet he is also the first to complain about the long hours he "normally" works, because his lack of motivation means it usually takes him longer than the mandated 7½ hours to get

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his work done. Which has always puzzled me, because when there is some external pressure my friend can knock off his work — to good standards, I might add — in six hours before heading off for what he perceives is a well-deserved early cut.

And his mood upon returning to work the next day is generally more refreshed and enthusiastic than after one of

his laboured — and far less productive — nine-hour stints in the office.

Could it be that six hours in the office is the optimal stretch, just enough to get a quality day's work done without exhausting the worker or removing their enthusiasm or — as in my friend's case — allow them to fall into an ineffective and inefficient workplace grind?

One thing is for certain, employers are increasingly being forced to address workplace pressures and ensure their employees' work-life balance is more even.

No one argues that a happy

and healthy workforce is good for business, which is why the smarter companies are investing time and thought into devising a workplace environment — layout, working hours, ambience, gym membership — that encourages enthusiastic participation and wellbeing, and discourages absenteeism and inefficiency.

It might sound counter intuitive, but working fewer hours could in fact bolster productivity. The theory is employees will be more focused and productive over a shorter of period of time — and working any longer than six hours results in employee

fatigue. In six-hour working day trials in Sweden across health, public sector and automotive industries, deliberate strategies were put in place to ensure there was maximum engagement while employees were at work. For example, meetings were minimised and there was a ban on the personal use of social media.

And while implementing a six-hour working day did present challenges — fitting in the same amount of work in fewer hours could be stressful in itself — organisations reported less absenteeism, happier staff, less fatigued employees and no loss of productivity.

The jury is still out as to whether the six-hour day will extend beyond a trial.

It is hard to imagine how a six-hour working day could work in Australia as many employees here would argue they would have to "work" the extra hours in an unpaid capacity to get the job done.

Perhaps the time has come for organisational leadership to truly adopt the 3BL, or triple bottom line — excellence across social, environmental and financial measures.

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