

ESSENTIAL INFORMATION FOR BUSINESS PEOPLE

BUSINESS ESSENTIALS®

DECEMBER 2018 | EDITION 413



*the
extras*

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MANAGING DIRECTOR
NICK SCHILDBERGER

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CONTACT THIS MONTH'S SPEAKERS

For more information about the topics discussed on this program, please contact the relevant organisations listed below.

2018 ECONOMIC REVIEW

Professor Neville Norman, Melbourne University

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BUCKING THE TREND IN RETAIL

Dean Salakas, The Party People

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WHY CUSTOMERS LEAVE

Neville Christie, CEO Mentor RoundTable

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DO YOU HAVE A BUSINESS "PRE-NUP"?

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WORKPLACE BEHAVIOUR IN A #METOO WORLD

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ESTATE PLANING – GETTING IT RIGHT! (CONTINUED)

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THE 25-MINUTE MEETING

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WHEN BEING "RIGHT" CAN BE OH-SO WRONG

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NRN Forecasts for Jan 2019 BE —

Election Date – most likely late May 2019; Budget date— April 2 (announced 27 November 2018, after the Vic rout)

<u>Forecast Item as defined by The Age/Fairfax/Scope Survey</u>	<u>Latest data at late 2018</u>	<u>NN Fc for Age/BE</u> Highlight proposed for BE	<u>Comment</u>
Real GDP Growth Aus to Dec q 2019	+3.2%	3.1%	Bang ON in 2018
Ditto China	+6.8%	7.2%	Ditto
Ditto USA	+3.4%	2.8%	Ditto
Ditto The World (IMF)	+3.9%	3.7%	Close
Nominal GDP growth Aus	+5.9%	+6.1%	Close
Real Net disposable income Growth Aus same period	+2.9%	2.8%	
Real Household Consumption Growth Aus	+2.2%	2.0%	
Probability of recession before Dec19	-	1%	No recession so far
Unemployment rate (% work force) Aus, at December 2019	5.2%	5.1%	Surprisingly fell in 2018
Dwelling real investment Growth , Aus, to Dec 1 2019	-1%	1.5%	Hardly moving – which is a problem for housing
Mining sector real investment growth, Au.	-5%	-1%	Decline over
Non-mining business real investment growth (capex) Aus	+7%	+7%	Bang on
Sydney house price growth to Dec q 2019 (CoreLogic basis)	-7.4%	+2.5%	Hardly moving
Melbourne house price growth to Dec q 2019 (CoreLogic basis)	-4.7 %	+1.5%	Stalled – no crash
Consumer Price Index growth, Aus, all groups to Dec q 2019	+1.9%	+1.95%	
Underlying inflation (twin means), Aus, to Dec q 2019	1.8%	1.85%	
Wage-price index growth Aus, to Dec q 2018	+2.0%	+2.2%	Incredibly slow with budget tax loss effects
Underlying Budget Balance Yr to June19	\$10bn Def	\$2bn Surplus Forecast announcement \$15bn Surplus	Better than it was! The estimated for 2019/20 will be cooked hard.
RBA cash rate at 30 June, 2019	1.5%	1.75%	At last!
RBA cash rate at 31 Dec, 2019	1.5%	2.0%	
10-yltear Government bond rate at 31 Dec 2019	2.6%	3.0%	
\$US/\$Aus at 31 Dec 2018	72c US	76c US	More to do with USA
S&P/ASX200 share price index at 31 Dec 2019	5900	6300	Some recovery
Iron ore spot price in \$UIS/tonne as at 31 Dec 2019	\$58 US	\$72 US	
Change in terms of trade (export-import price ratio) year 2019	+5.7%	+2.5%	
Current account deficit over 2019Aus \$B	\$27bn	\$33bn	



Accountants Who Help You See Further

Cummings Flavel McCormack are accountants who provide accounting, auditing and business advice to business owners. Cummings Flavel McCormack also provides tax consulting services.

Tax Consulting

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The Cummings Flavel McCormack tax consulting practice works with clients to evaluate the taxation risks and benefits applicable to their business and investment plans.

We are proud of our ability to untangle the complexities of tax law to produce commercially practical tax advice that the client can understand and act on with confidence.

We have significant breadth of experience, having worked with successive governments in tax law development and holding key positions on advisory and education committees with professional tax bodies.

David Kent, Michael Jones and Neil Flavel lead a group of dedicated taxation professionals.



see further

Individual resident marginal tax rates for the year ended 30 June 2019

TAXABLE INCOME	TAX ON THIS INCOME
\$0 – \$18,200	Nil
\$18,201 – \$37,000	19c for each \$1 over \$18,200
\$37,001 – \$90,000	\$3,572 plus 32.5c for each \$1 over \$37,000
\$90,001 – \$180,000	\$20,797 plus 37c for each \$1 over \$90,000
Over \$180,000	\$54,097 plus 45c for each \$1 over \$180,000

This new tax scale depends on the passage of legislation. The tax rates do not include the Medicare Levy of 2%. Your Medicare levy is reduced if your income is below a certain threshold and in some cases you may not have to pay the levy at all. The thresholds are higher for seniors. If your income is above the thresholds, you may still qualify for a reduction based on your family taxable income.

For more visit our website, www.cfmc.com.au

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