

**From:** Grow | Marinis Group  
**Sent:** Friday, 3 February 2017 11:12 AM  
**To:** Grow | Marinis Group  
**Subject:** Ignore the hype - just maintain the rage!  
**Attachments:** 2017 01 23 - Letter to Kate Ellis re Age Pension Cuts.pdf

Dear Friends,

This edition of eGrow is in two parts; firstly, I take the opportunity to address some of the investment market issues of 2016.

The second part is given to a very active expression of disappointment with our federal government in Canberra (due to the recent changes to super and Centrelink age pension rules) and a call to action to those of you who feel the same as I do!

During the course of 2016 you could well have been extremely concerned by the hysteria in our news media. Based on the hype around Turnbull, Clinton, Trump, ISIS and the Essendon Football Club (to name a few) we could have been heading for financial markets disaster. It was enough to make us all want to hide under the blankets!

What did we get in terms of financial returns? A very 'average' year, returning about 7.0% pa (in a balanced fund) which is pretty much in line with long term average returns.

The more I reflect on the hype generated by overexcited media commentators, the less I trust it. There is a serious disconnect between the 'fear-mongers' and reality. I don't know how financial markets will perform in the future, but I do know that on average a balanced fund will return around 7.0% pa. I always advise people to plan on a return of 5.0% pa, and hopefully, in the long-term, there will be a pleasant surprise. It is one of the reasons to follow a tried and true 'passive' investment strategy. (Please note, however, that past performance is no guarantee of future performance).

What do I expect from 2017? The answer – more of the same. There will be more hype, more seeds of fear sown, and the share markets which fund our retirement will continue to move in both directions.

My advice is to ignore the financial commentators in the media and check your balance at most, every three months. If you are interested, follow this link to the Wikipedia page of the only financial commentator I take seriously, Warren Buffett ([https://en.wikipedia.org/wiki/Warren\\_Buffett](https://en.wikipedia.org/wiki/Warren_Buffett)) aka the 'Sage of Omaha', a multi-billionaire who still lives in the humble home he raised his children in.

Our Federal government has decided that older Australians should bear the brunt of budget repair – with reportedly 300,000 having their pensions cut back on 1 January 2017 and 90,000 losing it all together, according to the media. This is an incredible breach of trust, and in my view, straight from the Government of Greece's playbook – hit those who won't fight back!

This is also from the government that allowed Bronwyn Bishop to fly a helicopter from Melbourne to Geelong, and Susan Ley to have numerous trips to go house-hunting on the Gold Coast at our expense... **and don't get me started on the special 10% superannuation tax offset bonus only available to MP's and public servants.**

The politicians will argue that only 5% of the population are affected by the changes – but these are the people who listened to Canberra's earliest messages about Superannuation and started to put money away to help give themselves a better future – now they are being penalised.

If, like me, you are angry about the cuts to pensions, please write to your MP or arrange a meeting to let them know how wrong you feel it is – perhaps a groundswell of our hardworking voters will make them realise they cannot push older Australians around.

Perhaps we can start our own Brexit / Trump political earthquake in Australia!

I have attached a copy of the letter Julie and I have written to South Australia's Senators and our local MP. Feel free to use it as a guide to register your protest too.

As always, if I or any of my staff can be of any assistance, please do not hesitate to get in touch.

**Attachments**

1. Source: Letter to Kate Ellis re Age Pension Cuts

Kind Regards

**Theo Marinis B.A., B.Ec., CPA., FPA®**  
**Financial Strategist**  
**Authorised Representative**



**GROW @ Marinis**



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23<sup>rd</sup> January 2017

Ms Kate Ellis MP  
161 Main North Road  
NAILSWORTH SA 5083

Dear *M3 Ellis,*

### AGE PENSION CUTS

This letter is to register with the Commonwealth government of Australia our deep concern with the decision to cut or reduce age pension benefits to one in 20 of recipients.

Those affected are older Australians who are not greedy people – they listened to the logic of the superannuation argument and understood that they should put money away for retirement. Now they are betrayed by the parliament and penalised for putting away ‘too much’.

Under current policy, it may well be more advantageous for people to spend some of their super to fund lifestyle assets, i.e. buy a boat, go on an overseas holiday – **or buy a bigger house** – in order to reduce their super balances below \$375,000.

The social impact of this change is far reaching as more and more working Australians will find their super balance builds beyond this cap.

To consider our own (fortunate) situation, we have a home worth \$900k and the same in super. On our retirement, we would be better off buying a \$1,500k home and receiving a full age pension – this combined with the \$300k left in super would give us an income the equivalent of a worker on \$70k per year (around half of which will comprise FULL age pensions). So much for future pension outlay savings! Similar strategies will force up house prices even further, reducing the availability of rental accommodation, and increasing the burden on government.

This is an ill-considered policy dreamt up by public servants and MPs who are exclusively entitled to a 10% tax-offset on their Untaxed and Unfunded super pension. They won't feel the pain like the rest of us. It is an unjust approach.

Super savings should be encouraged (not capped as this policy makes them). Superannuation also should be fair and equal for all. There is little sympathy in an electorate for a government which attacks its elderly, while it allows its MPs fly to the Gold Coast on real estate jaunts, ride helicopters to Geelong, or receive payments from foreign governments.

Yours faithfully,

*Pe TM*  
Theo & Julie Marinis



2 February 2017

Theo and Julie Marinis  
Marinis Financial Group  
67 Kensington Road  
NORWOOD SA 5067

Dear Mr and Ms Marinis

Thank you for your letter dated 23 January regarding the Turnbull Government's aged pension cuts.

The data available to the opposition says around 1760 local pensioners in the seat of Adelaide have been affected by the cuts made by the Turnbull Government and the Greens.

Approximately 1220 Adelaide pensioners will see an average cut to their pension of \$140 a fortnight.

A further 540 local pensioners will lose their pension entirely, leaving them on average worse off by \$196 a fortnight.

Pensioners and families already face huge financial pressures and the last thing they need is a cut to their pension.

Labor voted against this cut to pensioners in the Parliament and we will continue to fight for a fair go for pensioners.

Cutting the pension shows how out of touch Malcolm Turnbull and the Liberals really are. They are taking money off pensioners while trying to give a \$50 billion handout to big business and the banks.

Pensioners who are concerned about how the Government's changes to the pension assets test will affect them are urged to contact Centrelink Financial Information Services on 132 300.

In regards to Members of Parliament and Senator's entitlements I understand your frustration. Labor has consistently supported reforming the parliamentary entitlement system.

As the Shadow Minister responsible I can confirm that Labor is and will always be committed to reform that improves openness and transparency to ensure that we maintain the trust and confidence of the Australian people.

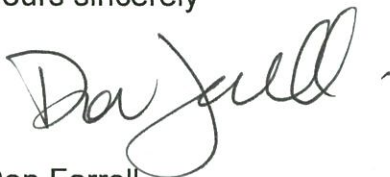
Following the Bronwyn Bishop 'Choppergate' scandal, the Government promised a review into parliamentary entitlements.

A group of independent, eminent Australians made 36 recommendations to strengthen the parliamentary work expenses system. Labor made it clear to the Government that we supported all 36 recommendations, and that we're willing and ready to work together to implement these improvements.

It has now been almost a year since that review was completed. We urge the Government to stop dragging their feet and implement these reforms.

Thank you again for taking the time to write to me, if you require any further assistance you can also contact me by email [senator.farrell@aph.gov.au](mailto:senator.farrell@aph.gov.au) or my office can assist you on 8231 8400.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Don Farrell', with a stylized flourish at the end.

Don Farrell  
**Deputy Leader of the Opposition in the Senate**  
**Shadow Special Minister of State**  
**Senator for South Australia**





## **Senator the Hon Simon Birmingham**

Minister for Education and Training  
Senator for South Australia

20 February 2017

Mr Theo and Julie Marinis  
Marinis Financial Group  
67 Kensington Road  
NORWOOD SA 5067

Dear Mr and Mrs Marinis,

Thank you for your letter of 23 January 2017, regarding the Aged Pension.

I acknowledge that many have been diligent in both planning and saving for retirement. Incentives, including significant tax incentives, have been provided through the superannuation system to encourage people to save for their retirement, with the intention of reducing pressure on the social security system. Consequently, there is an expectation that in providing these incentives, retirees will carefully draw down on these savings to provide for their cost of living expenses in retirement, rather than being reliant on the Age Pension.

These changes to the Aged Pension were structured so those with modest assets get a modest rise in the pension to assist with the cost of living. However, I acknowledge your particular concerns regarding those who were in receipt of a part pension and now because of the changes to the Assets Tests Cut-Off Threshold will no longer receive assistance from the Government. However, as people draw on assets to fund retirement their own eligibility will change.

Those most affected by the loss of the part pension would have to draw down, at most, 1.8 per cent of their assets per annum to make up for the loss of the part pension.

Pensioners whose assets (excluding their home) are above the revised Assets Tests Cut-Off Threshold will also automatically receive the Health Care Card and the Seniors Health Card, giving access to subsidised medications, without having to meet the usual income test requirements. I also want to assure you the maximum rate of the pension has not changed and it will continue to be indexed to ensure it keeps up with any rise in the cost of living.

These changes were necessary, given our ageing population, to ensure the pension was sustainable into the future. More broadly, changes have been necessary to spending across the whole of government to arrest the deficit, so future generations are not burdened by higher taxes to pay back our current debt.

Finally, I acknowledge your disappointment with the Government expressed in your two most recent letters, but I encourage you to contact my office should we ever be able to be of any assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Simon Birmingham', with a large, sweeping flourish extending to the right.

**Simon Birmingham**