

Chance of summer rain a lottery

ACROSS the tablelands, pasture conditions reflect the dry spring followed by the lottery of summer storms.

Some areas have knee high lucerne while others have sparse yellow paddocks. Most seem to have reasonable ground cover at this stage.

I spoke to Phillip Graham (NSWDPI based at Yass) and Dr Belinda Hackney (now research agronomist based at CSU) for some thoughts on managing stock and pastures over the next few months. We discussed the chance of summer rain, then whether this rain will grow productive pasture and finally culling strategies.

I looked at the chance of receiving summer rain using Bathurst rainfall records collected since 1908. Bathurst is more likely to receive summer rain than further south but less likely than places further east and north.

In half of the years on record Bathurst received more than 60mm of rain in December and in nearly 40 per cent of years Bathurst received 65mm or more.

The figures are about the same for January. This should be enough to grow feed providing pastures are capable of responding.

However, emphasising the random nature of summer rainfall, in the wettest January, 1978, Bathurst received 224mm in

Watt's What

Veterinarian Bruce Watt



January and a scant 3.4mm in February.

Of the 10 driest Januarys, February rain averaged 40mm (with three years over 60mm). Of the 10 wettest Januarys, the February average was 55mm (and in two years more than 60mm fell).

Belinda told me that annual grasses and clovers would not respond much to summer rain, apart from growing weeds and initiating false breaks in annual legumes. However, pastures based on native grasses such as red grass (*Bothriochloa macra*), weeping grass (*Microlaena stipoides*) and wallaby grass (*Austrodanthonia* spp) will respond readily.

Belinda added that phalaris is less responsive as it is dormant over the summer, but cocksfoot-based pastures can respond well to summer rain.

"These native grasses and cocksfoot will produce on average 15-25kg DM/ha/d through the summer period and more if moisture is plentiful and if the paddock has had a good fertiliser history," she said.

"Therefore, with good moisture, 450-750 kg

DM/ha could be produced in a month. Whether this is sufficient to support livestock production will depend on the amount of residual feed that was in the paddock at the time of the rainfall event and what the demand (i.e. stocking rate) is for the paddock."

Phillip Graham agreed that native pastures would respond to summer rain, but cautioned that digestibility was lower "so don't expect the same livestock growth rates."

These pastures will maintain ewes in good condition leading up to joining but are less efficient at finishing lambs. Young stock should therefore be supplemented to finish as soon as possible or sold to someone who can finish them.

Belinda told me as most summer rain falls in storms, it will be most effective on less sloping areas of the landscape.

"So when considering how your pastures will respond to summer rain you need to consider how much of your property falls into steeply, moderately and gently sloping land in conjunction with the composition of the pasture," she said.

Given the uncertainty of summer rain at least a partial selling program is sensible.

Judging by the record yardings at sale-yards such as CTLX, many producers are taking this perfectly rational decision.

Phillip commented that in most self replacing flocks, 13 to 20 per cent of ewes could be sold without dropping the number of ewes required for the next joining.

"Those with low marking percentages or a very young flock structure have the least that are available to cull. You are best to cull mainly from the older ages groups," he said.

Watch for calf diarrhoea

Calf diarrhoea is killing calves from 10 days to three months of age in herds across the tablelands now. The young, late born calves of heifers are most at risk. Calves can be saved with oral fluids if they are detected early. Remember that some of the agents that cause diarrhoea in calves can affect people and are especially dangerous in the young, the elderly and those with a compromised immune system.

Next week, for my final note for the year, I ask you to consider whether you would rather live in 1925 with an income in the top 1% or live now with an average income?

Bruce Watt is Senior District Veterinarian with the Tablelands Livestock Health and Pest Authority

You and Your Money

Retiring around Christmas time New Year financial checklist

By **RUSSELL TYM**
MoneyLink Financial Planning

THE end of the year is a popular time to retire. Those quitting work this Christmas will have the particular challenge of generating enough income to live on with interest rates at lows not seen for 50 years.

Bank deposits certainly aren't the ideal method of generating income, with term deposits only offering about 3.5 per cent per annum.

The most widely used source of income for retirees is account-based pensions, previously known as allocated pensions. These are superannuation accounts that can invest in any assets the retiree chooses.

The investment account may earn varying income rates from different investments paid at different times of the year, but the retiree always receives a fixed monthly payment based on a set percentage of the account balance on July 1.

If actual income received is more than the retiree's regular payments the surplus stays in the pension's cash account. If income received is less than the pension payments the shortfall is drawn from the cash account or other investments.

This is a capital drawdown strategy. It is also suitable for those without money in superannuation and unable to contribute. Capital gains have been strong from many investments over the last year and should

continue to be quite good for the next few years.

When interest on deposits is low drawing part of the capital growth achieved to provide income to live on is sensible and viable. Retirees without super can separate their investments into two pools, a short term one that income is drawn from and a long term one for growth. When the short term balance runs down it is topped up by drawings from the growth pool.

Account based pensions need not invest heavily in shares, property and variable assets. They can choose mainly stable, interest bearing investments. These could include corporate debt that pays more interest than bank accounts.

Income securities are issued by large companies, including major banks, and are traded on the Securities Exchange. Income yields are 5 to 7 per cent per annum. While values can vary slightly up and down they are a reliable income source.

There is a range of managed funds investing in corporate debt that are still providing incomes of 6 per cent plus. Diversified income funds invest in a combination of government bonds, cash, corporate debt and other interest bearing assets.

Maximising age pension entitlement and minimising income tax are key elements of a retirement income plan. Account based pensions have the benefit of being entirely tax free for those over age 60. People approaching retirement should get professional advice about boosting their super balances.

Qualifying for an age pension means passing two tests - assets and income. For most people account based pensions are more leniently assessed in the income test than other investments.

By **TONY SEYMOUR and BEN ADAMS**

THE New Year is a time when people often vow to change or improve something in their life.

While quitting smoking, losing weight and getting fit are common resolutions, many of us forget to take stock of our financial well-being.

The following New Year financial checklist can help anyone, regardless of their income, improve their financial position in 2014.

1. Do a new budget - Your income and expenses may have changed over the last 12 months, so it's a good idea to do a fresh budget. The government's www.moneysmart.gov.au website has a great online budget calculator which can help you crunch the numbers. The rule is to make sure you're not spending

more than you earn.

2. Pay off Christmas credit debt - It's important to take control of your debt early in the New Year before it starts controlling you. Pay off 'bad' debt like credit cards first as they usually have the highest interest rates. Once bad debts are under control you can then target other debts such as your car and home loan.

If you have several maxed-out credit cards, consider rolling all of the debt into one low interest card to save on interest and annual fees.

3. Review your mortgage - The most effective way to save interest on your home loan is to make extra repayments each month. The monthly repayments on a \$300,000 mortgage over a 25-year term at 6.5 per cent are around \$2,025.

By increasing your monthly repayments by \$400 you could save \$67,127 in interest and pay the loan off five years and seven months earlier. You can also attack your loan faster by paying fortnightly instead of monthly and making lump sum repayments whenever you can.

4. Get super smart - On average, Australians have three super accounts each, wasting as much as \$1.1 billion a year in fees. Websites such as the Tax Office's www.superseeker.gov.au can help you track your missing super. Once you have found it, consider consolidating it into a single account to keep fees to a minimum.

Salary sacrificing is also a great idea if you can afford it. While your employer must contribute the 9.25 per cent

Government Super Guarantee, topping up your super by another 2 to 5 per cent of your salary can make a difference to your nest egg.

5. Protect your family - It's not something anyone wants to think about, but you need to ask yourself how your family would cope financially if you or your partner were injured in an accident, became too sick to work, or passed away.

Insurance doesn't have to be a big drain on the budget. If cash flow is tight, you can get affordable life insurance and income protection through your superannuation.

6. Have an emergency fund - Your financial position can change suddenly and unexpectedly, so it's important to have some money set aside for a rainy day. A good rule of thumb is to have at least three months salary in the kitty. This will avoid the need to rely on credit cards in the event of an emergency.

7. Set goals - While most people are pretty good at saving for short-term goals such as end of year holidays, they often forget to put money aside for the future. Make sure you set some medium-term goals such as how much you want to reduce your home loan by. Also plan for long-term milestones like saving for the kids' education and retirement funding. Review your goals at the end of the year to see how you've fared.

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