

# Investors' Corner

Citiplace, Perth

for ASA, 20<sup>th</sup> February 2025

Convenor: Mark Dixon

A photograph of a fire hose reel and a fire extinguisher in a hallway. The hose reel is on the left, and the fire extinguisher is on the right. The background is a blurred hallway with a red fire alarm pull station.

## Citiplace - Emergency Procedure

- ▶ If smoke is detected, or fire alarm is raised, follow exit signs
- ▶ Upon evacuating the building, meet at ***designated area***
- ▶ Do not use lift in an emergency
- ▶ **Designated area**
  - ▶ Turn right from the Citiplace Centre and proceed over the bridge to the pond area past the Art Gallery, if safe to do so.
  - ▶ Regroup there for head count if safe to do so.
  - ▶ If emergency personnel instruct differently then follow their directions.

# Disclaimer

- ▶ The Australian Shareholders' Association (ASA) has provided the facilities for this meeting to provide general information about the ASA and to stimulate interest in financial markets.
- ▶ The ASA is not licensed to give financial advice.
- ▶ Presentations made here are not designed to provide any specific investment advice to any person present.
- ▶ The ASA does not accept any responsibility to inform you of any matter that subsequently comes to our notice that may affect any of the information discussed.
- ▶ Anyone wishing to act on any matter discussed should seek independent advice from a licensed financial adviser.

# Agenda

- ▶ Intro — welcome, emergency procedure, disclaimer
- ▶ Macro-technical, with discussion — Peter Scales
- ▶ Emission reductions & outcomes - Bob Kelliher
- ▶ Analysis of an investment using fundamentals (Part 1) — Mark Dixon
- ▶ Entitlements — Phill
- ▶ Next meeting — 20<sup>th</sup> March
- ▶ Close ~ noon.



## Peter Scales — Macro- technical, with discussion

# Reducing emissions effects on companies

- Bob Kelliher





The solar farm at Garden Well generated 3,979,467kWh of clean electricity in FY24. Without the solar plant, we would have consumed an additional 972,689L of diesel and emitted an extra 2,636 tCO<sub>2</sub>e emissions by the diesel power station.





Our Assets

Dukatton Gold Project

Moolart Well

**Garden Well**

Rosemont

The Garden Well Operations include Garden Well open pits, Tooheys Well, Russell's Find and Erlistoun open pits.



# Reducing emissions

Safeguard Mechanism facilities have an annual emissions limit known as a baseline. In general, baselines will fall by 4.9% each year to 2030. This will enable industrial facilities to contribute to Australia's emissions reduction targets. This baseline decline rate applies to all Safeguard facilities, including existing and new facilities. Different rates may be approved for facilities classed as a trade-exposed baseline-adjusted facility.

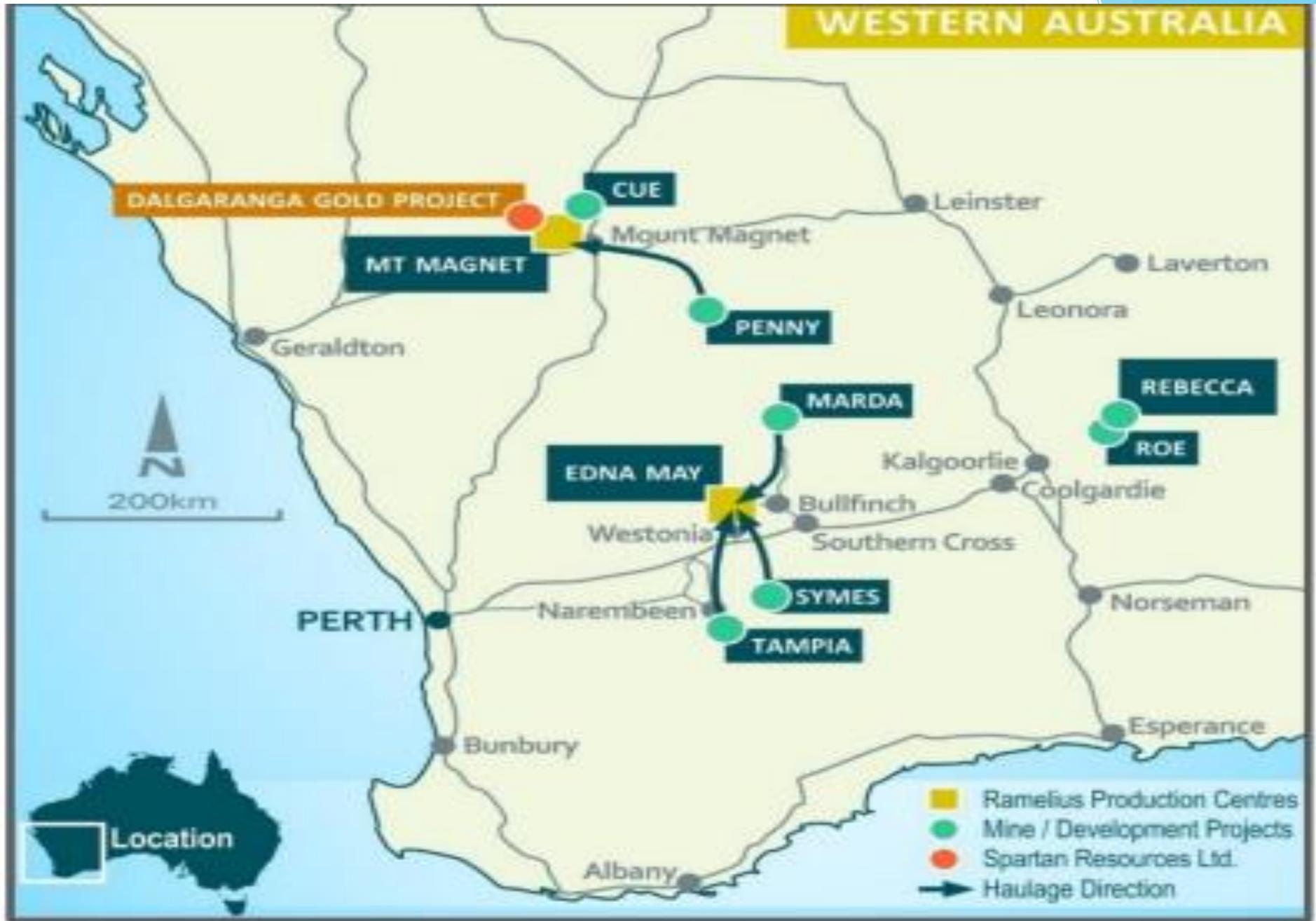
The business with operational control of the facility must ensure its net emissions do not exceed the baseline determined by the Clean Energy Regulator.

Definitions of a *facility* and *operational control* can be found on the [Clean Energy Regulator's website](#) .

Baselines are set each year. They are based on a facility's production multiplied by an emissions-intensity value.

<b>Company</b>	<b>Market Cap</b>	<b>Production</b>	<b>Emissions/facility</b>
Regis Resources	\$2b	417koz	206kt
Ramelius Resources (RMS)	\$2.4b	293koz	100kt

- ▶ Regis Duketon South Facility (Graden Well and Rosemont) qualifies

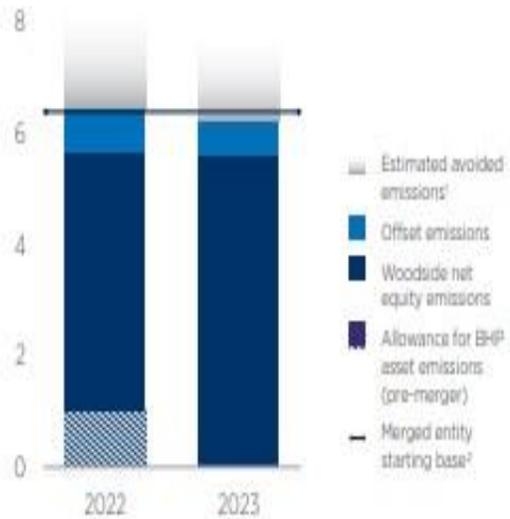


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- ▶ Scope 1 Emissions, generated by operations, (only for CCUS)
  - ▶ Scope 2 Emissions, generated from electricity consumption
  - ▶ Scope 3 Emissions: Upstream; purchased goods and services, transport, employee travel  
Downstream; use of sold product
  
  - ▶ Scope 3 Emissions are usually much larger than scopes 1 and 2

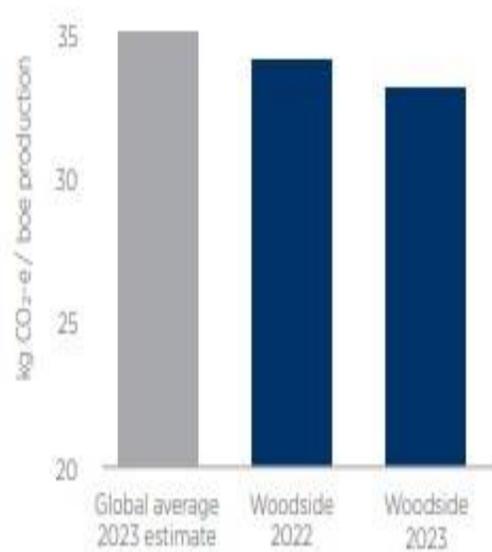
## REDUCING NET EQUITY SCOPE 1 AND 2 GREENHOUSE GAS EMISSIONS

### 2023 PERFORMANCE

Scope 1 and 2 equity greenhouse gas emissions (Mt CO<sub>2</sub>-e)

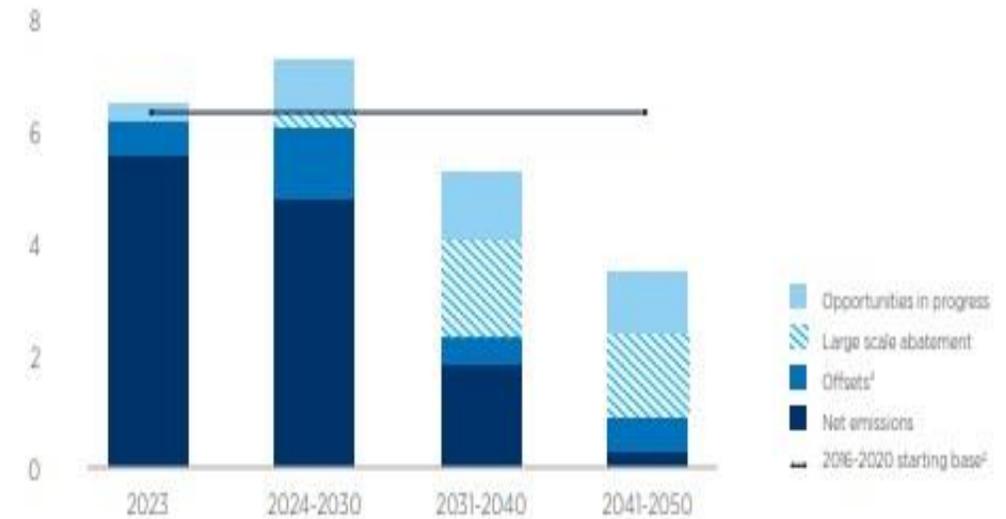


Scope 1 and 2 gross equity greenhouse gas emissions intensity<sup>3</sup>

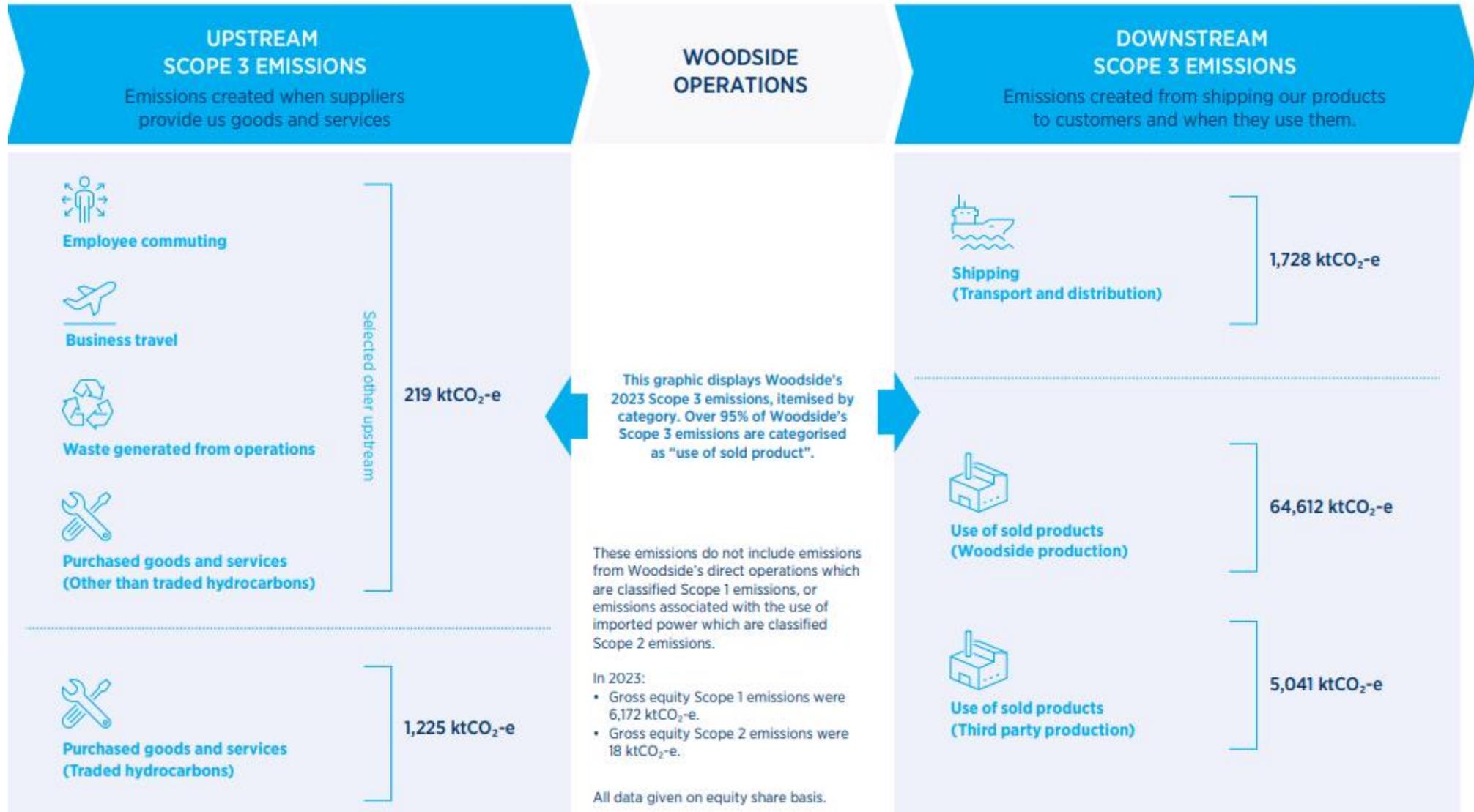


### 2050 NET ZERO ASPIRATION

Potential pathway to net zero (equity Scope 1 and 2 emissions annual average Mtpa CO<sub>2</sub>-e) at portfolio of producing assets and sanctioned projects<sup>4</sup>



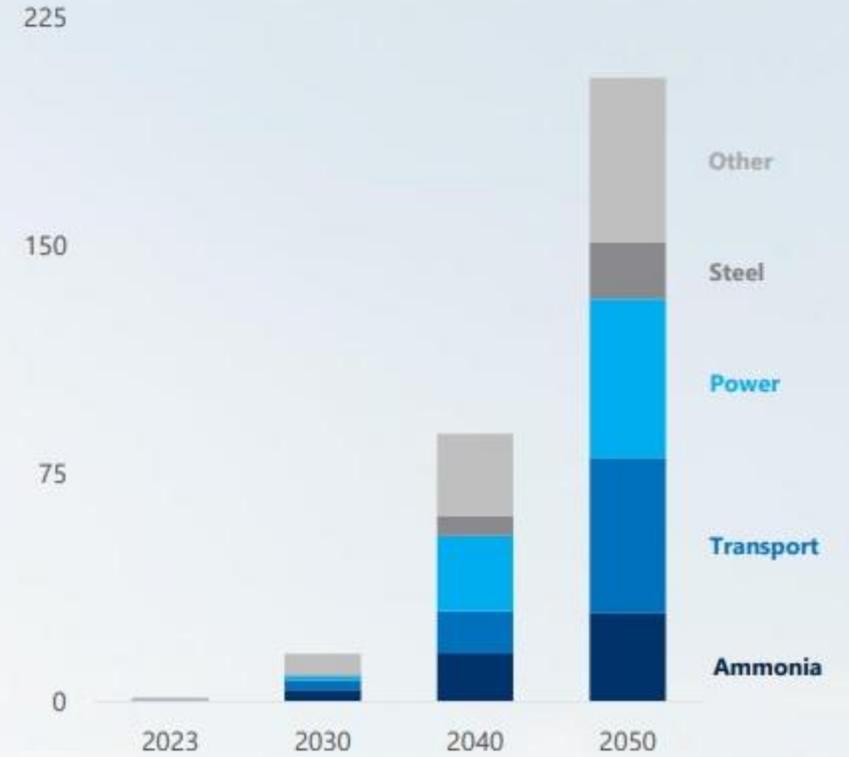
## SCOPE 3 EMISSIONS IN WOODSIDE'S VALUE CHAIN



# Hydrogen portfolio designed to help customers reduce emissions

	H2OK	H2Perth	Hydrogen Refueller @ H2Perth
Opportunity <sup>1</sup>	Commercial scale. Renewable hydrogen (from electrolysis) <sup>2</sup>	Commercial scale. Hydrogen and ammonia production from gas reforming (with CCS) and/ or electrolysis <sup>3</sup>	Hydrogen production, storage and refuelling station. Renewable hydrogen (from electrolysis) <sup>2</sup>
Target market	Domestic heavy-duty transport	Domestic market and export	Domestic heavy-duty transport
Status	Commercial readiness to support FID in progress <sup>4</sup>	Concept definition commenced in June 2022	FID taken May 2023 <sup>5</sup>
Potential scale <sup>6</sup>	Up to 60 tpd of hydrogen  230 ktpa CO <sub>2</sub> -e third-party emissions avoidance	Up to 2,700 tpd of ammonia (Phase 1)  1,360 ktpa CO <sub>2</sub> -e third-party emissions avoidance	Initial production of 0.2 tpd of hydrogen, with the potential to scale up to 1 tpd  1 ktpa CO <sub>2</sub> -e third-party emissions avoidance (based on initial production of 0.2 tpd of hydrogen)

Low carbon hydrogen demand outlook (Mtpa)<sup>7</sup>



# High-quality carbon credit portfolio



## Woodside's integrity assessment for carbon credits<sup>1</sup>

**Abatement is demonstrably additional**

**High likelihood of permanence**

**Accurate quantification of abatement**

**Environmental and social performance**

**Recognised standards body<sup>1</sup>**

**Mitigation against leakage**

**Vintage**

**Location and methodology**

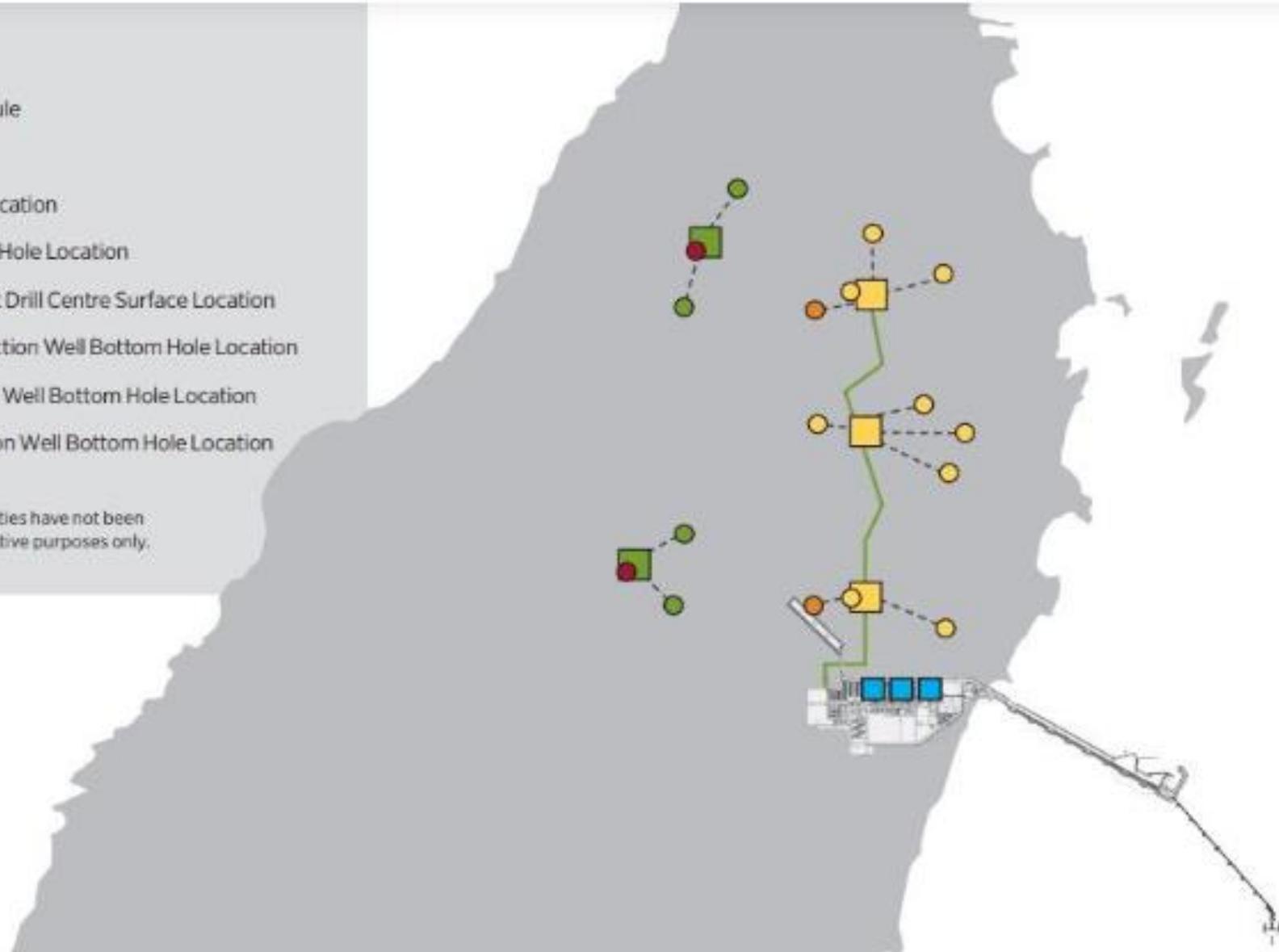
## World's biggest carbon capture plant running at one third capacity, Chevron Australia reveals



## legend

- CO<sub>2</sub> Compressor Module
- CO<sub>2</sub> Pipeline
- Drill Centre Surface Location
- Injection Well Bottom Hole Location
- Pressure Management Drill Centre Surface Location
- Planned Water Production Well Bottom Hole Location
- Reservoir Surveillance Well Bottom Hole Location
- Planned Water Injection Well Bottom Hole Location

\* CO<sub>2</sub> Injection Project facilities have not been drawn to scale. For illustrative purposes only.



CO<sub>2</sub> injection facilities on Barrow Island. Source: Chevron Australia Pty Ltd

- ▶ BHP forecast of Pilbara in 2050:
- ▶ Completely electrified system of trucks and trains.
- ▶ New electric trucks just arrived at Fremantle.
- ▶ No intention to use carbon credits for offsets (unless necessary)

- ▶ Perenti Idoba.  
Full electrified mine operations study white paper.
- ▶ Savings on ventilation due to fumes/heat from diesel engines



# Operational GHG emissions

(Scopes 1 and 2 emissions from our operated assets)

We are on track to meet our medium-term target. Our pathway is challenging yet realistic and reflects current technology maturity, our increased production ambition and early investment to support our long-term net zero goal.

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Our target and net zero goal for operational GHG emissions (Scopes 1 and 2 emissions)

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Spotlight: How we plan operational GHG emission reductions in a dynamic environment

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Our areas of focus to reduce operational GHG emissions

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Spotlight: The Australian Government's methods for measuring fugitive methane emissions

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Spotlight: Influences on our operational GHG emissions target- and goal-setting

A Komatsu America Corp. electric haul truck technology which is at a trial stage and key to future reductions in our operational GHG emissions.



# Value chain GHG emissions

(Scope 3 emissions)

Net zero Scope 3 emissions requires the development of enabling technologies for near zero emissions steelmaking, which we are supporting through our strategy and medium-term goal for steelmaking.

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Our net zero goal for value chain GHG emissions (Scope 3 emissions)

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Steelmaking: Longer-term industry pathways

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Steelmaking: Our Scope 3 emissions goal to support capability for GHG emissions intensity reduction

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Case studies: Steelmaking GHG emissions intensity reduction projects

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Direct suppliers: Our Scope 3 emissions net zero target for direct suppliers' operational GHG emissions

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Shipping: Our Scope 3 emissions goal to support GHG emissions intensity reduction and net zero target

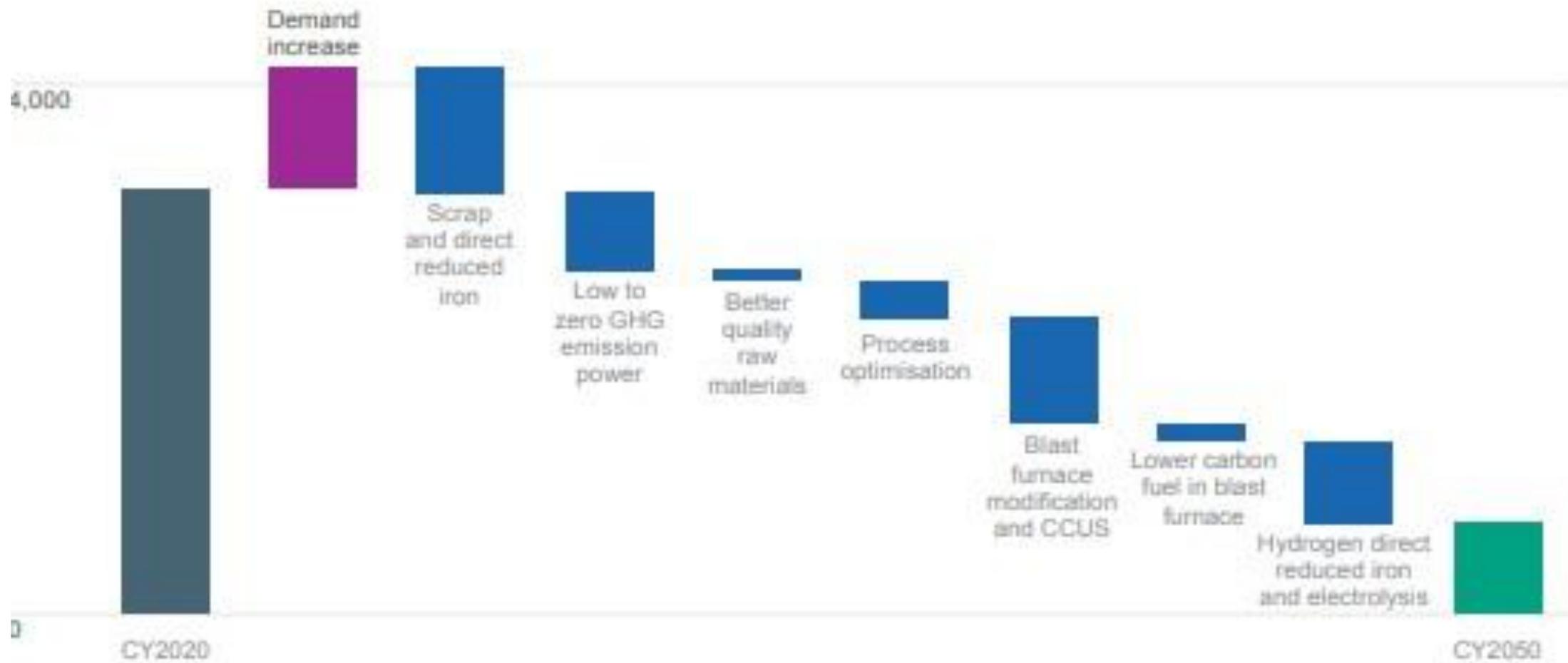
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Spotlight: The International Maritime Organisation and its levels of ambition for international shipping

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*Draining molten iron produced in an electrolysis test cell from BHP ores, as part of our partnership with Boston Metal to support scaling up of the molten oxide electrolysis cell, a potential steelmaking technology pathway.*

**Figure 3.6: Global steelmaking GHG emissions outlook and key reduction levers in our 1.5°C scenario**  
 GHG emissions (MtCO<sub>2</sub>)



Source: BHP analysis

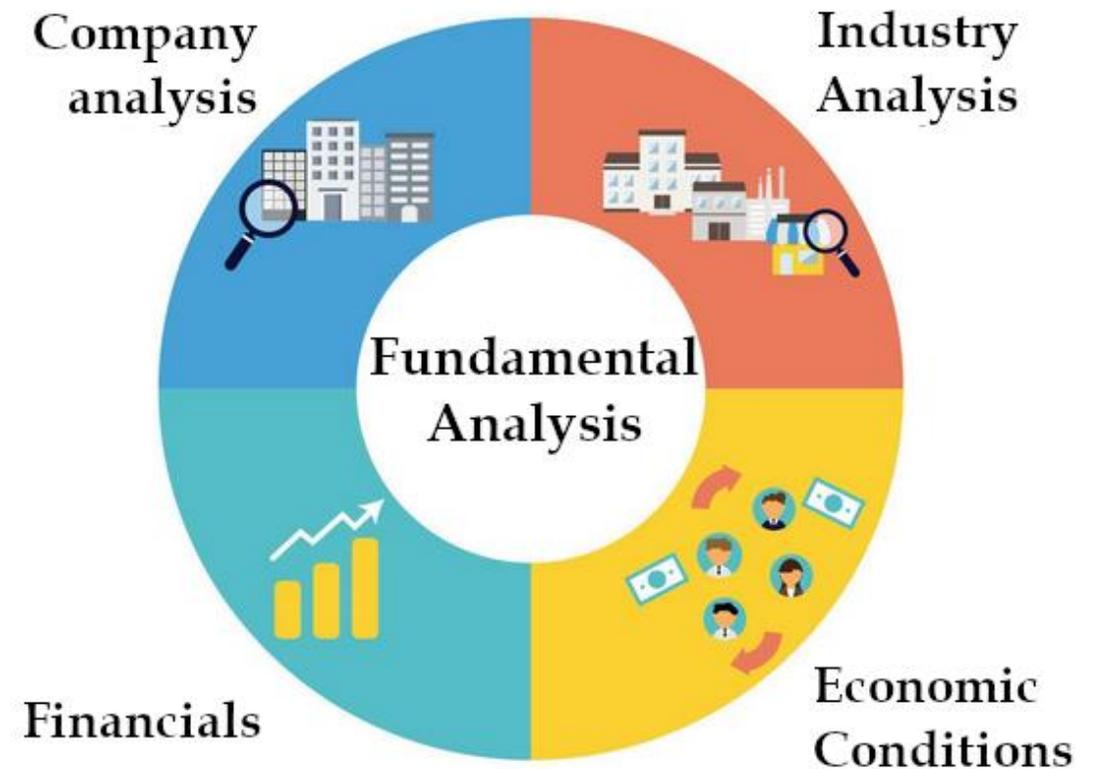
- ▶ “Net Zero by 2050”
- ▶ Easy for everyone; too far away, allows for multiple offsets (Net).
- ▶ Not all are genuine (still planning for a plan of future targets)
- ▶ CCS still has market scepticism

- ▶ “Scope 3 Not in Our Direct Control”
- ▶ Not an option. (Paris Agreement)
- ▶ Refer Woodside approach

# Fundamental Analysis 101

examples from the banks

- Mark Dixon



# The basics

## Environmental factors (future talk):

- ▶ Economy (in general and in sector)
- ▶ Competitive environment (Porters Five Forces)

## Financial statements: ◀ FOCUS TODAY

- ▶ Balance Sheet: a list of what company owns, what it owes, and the difference — *at end of year*.
- ▶ Income Statement: a list of what company earned, and what it paid — *all year*.
- ▶ Ratios between some numbers in those two.
- ▶ Cash Flow and Discounted Cash Flow (future talk)

The image displays three financial statements for a company. The Cash Flow Statement is on the left, the Profit and Loss statement is in the middle, and the Balance Sheet is on the right. Each statement is presented in a structured, tabular format with various line items and sub-totals.

	For the Year Ending 30/11/2020	End of Reporting Year 2020
<b>Operations</b>		
Cash generated from operations		
Operating activities		
Income from operations		
Other operating activities		
Total operating activities		
Investing activities		
Financing activities		
Net Cash Flow from Operations		
<b>Investing Activities</b>		
Purchase of property, plant and equipment		
Sale of property, plant and equipment		
Purchase of investment securities		
Sale of investment securities		
Purchase of property and equipment		
Purchase of investment securities		
Net Cash Flow from Investing Activities		
<b>Financing Activities</b>		
Issuance of debt		
Issuance of equity		
Purchase of debt (debt repurchase)		
Purchase of equity (share repurchase)		
Net Cash Flow from Financing Activities		
<b>Supplemental Information</b>		
Cash paid for income taxes		
Cash paid for interest		
Cash paid for dividends		
Cash paid for other activities		
Net Cash Flow from Supplemental Information		
<b>Total Cash Flow</b>		
Total Cash Flow		
Cash at beginning of year		
Cash at end of year		

	2020	2019
<b>REVENUE</b>		
Sales Revenue		
Revenue 1		
Revenue 2		
Revenue 3		
Total Revenue		
<b>Cost of Sales</b>		
Cost of Sales 1		
Cost of Sales 2		
Cost of Sales 3		
Total Cost of Sales		
<b>Net Operating Income</b>		
Income		
Other Income		
Total Income		
<b>EXPENSES</b>		
Operating Expenses		
Marketing and Advertising		
Research and Development		
Total Expenses		
<b>TOTAL INCOME</b>		
TOTAL INCOME		

	2020	2019
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash		
Temporary investments		
Accounts receivable		
Prepaid expenses		
Other		
Total Current Assets		
<b>Fixed Assets</b>		
Property, plant and equipment		
Leasehold improvements		
Goodwill and other intangible assets		
Intangible assets		
Less accumulated depreciation (negative value)		
Total Fixed Assets		
<b>Other Assets</b>		
Deferred tax assets		
Other		
Total Other Assets		
<b>TOTAL ASSETS</b>		
TOTAL ASSETS		
<b>LIABILITIES AND OWNERS EQUITY</b>		

# Focus today on Financial Statements

Practical example: Aussie banks  
two in particular



# Fundamentals Jargon

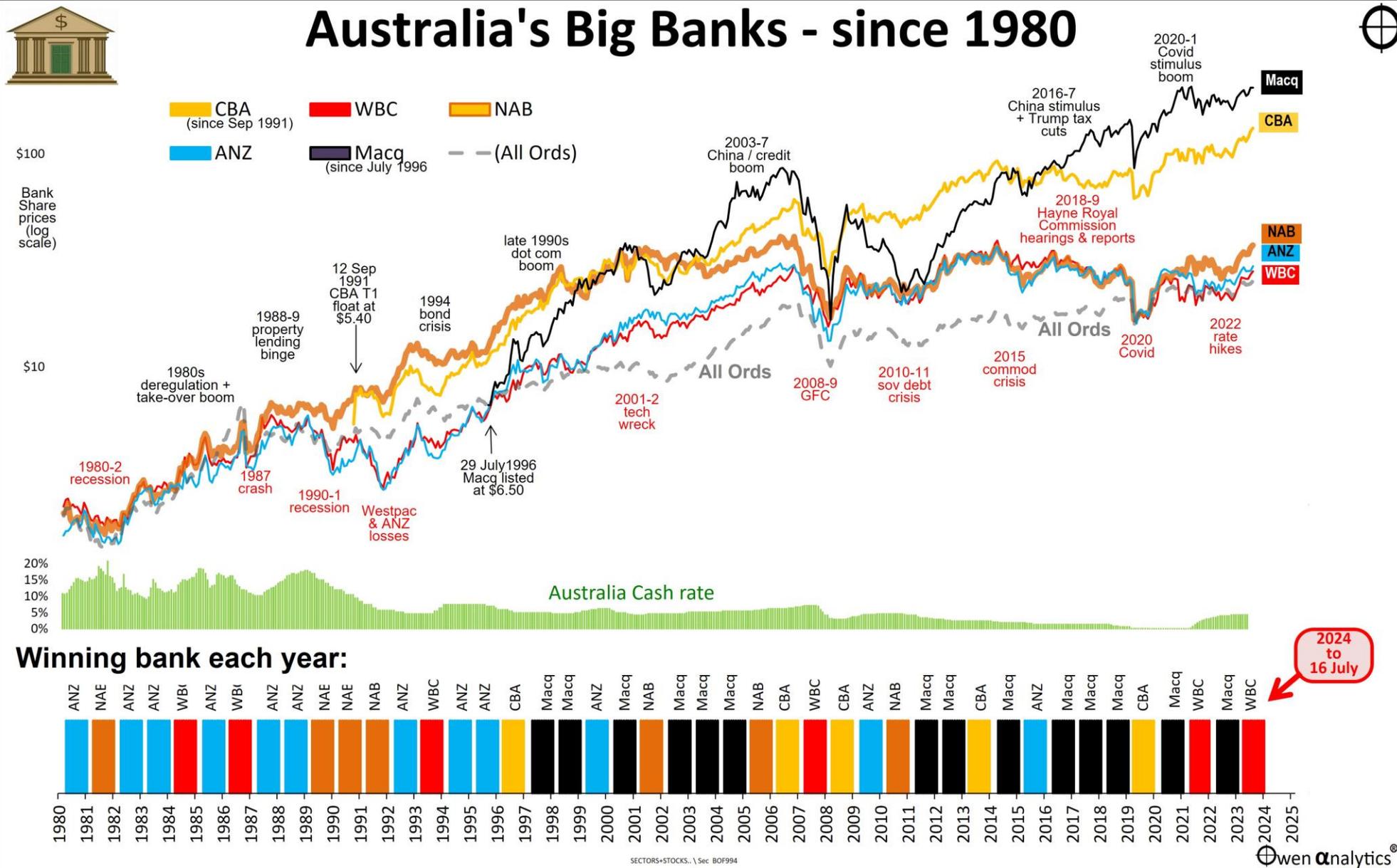
(in Annual Report, also on [MarketIndex.com.au](http://MarketIndex.com.au))

- ▶ Book value, aka Equity (\$) - Assets minus liabilities - Annual Report
- ▶ Price to book (#) - AR and today's value available
- ▶ Total Shareholder Return (%) - AR and today's value available
- ▶ PE ratio - Price / Earnings ratio (#) - AR and today's value available
- ▶ PE relative - compared to other businesses - get from annual report
- ▶ NPAT - net profit after tax (\$) - get from annual report
- ▶ RoE - return on equity [net income / equity] (%) - annual report
- ▶ RoA - return on assets (%) - get from annual report

Can you name two Aussie banks that are  
chalk and cheese; apples and oranges?



# Australia's Big Banks - since 1980



From Owen Analytics: “Which Bank? . . is winning the Battle of the Banks?” [hint: it’s not CBA!]

- The middle section (green) shows cash rates during the period.
- The coloured bars in the bottom section show the winning bank (by share price gains) each year since 1980.

# Are all the banks overvalued?

From: MarketIndex.com.au



## Commonwealth Bank of Australia (CBA)

CBA:ASX · Financial Services

ASX Delayed

Cboe Live Streaming

142.93 ↓ 1.24 (-0.86%)

At Close 29/10 (AEDT)

VOLUME  
1,231,647

DIV YIELD  
3.25%

PE RATIO  
25.40

52 WEEK RANGE  
96.30 - 145.24

1 YR RETURN  
48.02%



## Westpac Banking Corporation (WBC)

WBC:ASX · Financial Services

ASX Delayed

Cboe Live Streaming

32.01 ↓ 0.23 (-0.71%)

At Close 29/10 (AEDT)

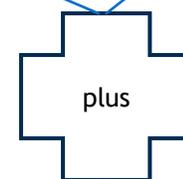
VOLUME  
3,246,076

DIV YIELD  
5.06%

PE RATIO  
17.87

52 WEEK RANGE  
20.57 - 33.78

1 YR RETURN  
55.39%



Total s/hold return

Compare PEs: MQG: 25.3, NAB: 17.47, ANZ: 13.8

06/2024 06/2023 06/2022

**PROFITABILITY**

NPAT (\$M)	9,394	10,090	10,771
NPAT Margin	-	-	-
Abnormals (\$M)	(123)	(339)	1,205
NPAT before Abnormals (\$M)	9,587	10,527	8,468
Return on Equity (ROE)	13.12%	14.62%	11.63%
Return on Assets (ROA)	0.76%	0.84%	0.70%

**VALUATION**

PE Ratio	22.38	16.46	19.12
PE Relative to Market	125.5%	113.6%	128.6%
Price to Book	2.92	2.33	2.11
Price to Cash Flow	0.00	0.00	0.00
Shares Outstanding (M)	1,673.58	1,676.17	1,700.78
Market Cap (\$M)	\$213,180.67	\$168,069.50	\$153,716.00
Enterprise Value (\$M)	-	-	-

**PERFORMANCE**

Total Shareholder Return	32.4%	15.7%	-6.0%
Relative to Market	19.9%	0.9%	1.5%

**PER SHARE**

Earnings (EPS Adjusted)	557.80	583.80	601.40
Earnings (with Abnormals)	569.26	609.08	472.81
Cash Flow	(1,521.40)	(485.40)	1,297.60
Cash	0.00	0.00	0.00
Net Tangible Assets	0.00	0.00	0.00
Book Value	43.67	42.96	42.82
Share Price	\$127.38	\$100.27	\$90.38

09/2023 09/2022 09/2021

**PROFITABILITY**

NPAT (\$M)	7,195	5,694	5,458
NPAT Margin	-	-	-
Abnormals (\$M)	63	(867)	(1,132)
NPAT before Abnormals (\$M)	7,132	6,561	6,590
Return on Equity (ROE)	9.84%	9.31%	9.15%
Return on Assets (ROA)	0.69%	0.65%	0.70%

**VALUATION**

PE Ratio	10.38	11.75	15.63
PE Relative to Market	75.5%	76.8%	118.7%
Price to Book	1.02	1.03	1.32
Price to Cash Flow	0.00	0.00	0.00
Shares Outstanding (M)	3,509.08	3,501.13	3,665.13
Market Cap (\$M)	\$74,216.98	\$72,263.28	\$95,293.34
Enterprise Value (\$M)	-	-	-

**PERFORMANCE**

Total Shareholder Return	8.8%	-16.2%	60.2%
Relative to Market	-4.3%	-7.6%	28.7%

**PER SHARE**

Earnings (EPS Adjusted)	205.45	152.40	137.80
Earnings (with Abnormals)	203.66	175.61	166.38
Cash Flow	(308.30)	453.80	1,272.70
Cash	0.00	0.00	0.00
Net Tangible Assets	0.00	0.00	0.00
Book Value	20.66	20.12	19.65
Share Price	\$21.15	\$20.64	\$26.00

MarketIndex.com.au  
 ◀ Figures from Annual Report.  
**Fundamentals**

◀ Check most recent figures for these:  
 WBC: 59%  
 CBA: 50%  
 MQG: 47%  
 NAB: 41%  
 ANZ: 31%

# Using fundamentals to compare companies

## Core Financial Ratios - good for any sector

- ▶ **Profitability Ratios:**
  - ▶ Return on Equity (ROE): Measures how efficiently a company uses shareholder's equity to generate profits.
  - ▶ Return on Assets (ROA): Measures how efficiently a company uses its assets to generate profits.
  - ▶ Profit Margin: Measures the profitability of a company's operations.
- ▶ **Liquidity Ratios:**
  - ▶ Current Ratio: Measures a company's ability to pay short-term obligations.
  - ▶ Quick Ratio: A more stringent measure of liquidity, excluding inventory.
- ▶ **Solvency Ratios:**
  - ▶ Debt-to-Equity Ratio: Measures a company's financial leverage.
  - ▶ Interest Coverage Ratio: Measures a company's ability to meet its interest payments.
- ▶ **Other numbers are useful for specific sectors (future talk)**

# Would a technical analysis entry point be useful?

**WBC ASX Chart**



When buying to invest, the best entry point is the day you decide the co is sound.

# Would a technical analysis exit point be useful?

**WBC ASX Chart**



When buying to invest, you exit when fundamentals change substantially.

Next time ...

# Michael Porter's Five Forces Model



# Commonwealth Entitlements, etc

Health Cards

Discounts

Tax Offset

**Presented by Phill**

# The Types

- ▶ Age Pension Concession Card & Work Bonus Scheme
- ▶ Commonwealth Seniors Health Care Card
- ▶ Low Income Health Care Card
- ▶ Department of Veterans Affairs - Gold Card
- ▶ WA Concession Card
- ▶ Pension Low Income Tax Offset

# Age Pension Concession Card

## Who can get a card

You can get a Pensioner Concession Card if you get certain payments from us.

### on this page

[If you're 55 or older](#)

[If you have a partial capacity to work](#)

You can get a card if you get any of the following payments:

- [Age Pension](#)
- [Carer Payment](#)
- [Disability Support Pension](#)
- [JobSeeker Payment](#) or [Youth Allowance](#) and are single, caring for a dependent child and looking for work
- [Parenting Payment single](#).

Your Parenting Payment single ends when your youngest child turns 14. You can keep your card for 12 weeks after your Parenting Payment ends.

You don't need to apply for a Pensioner Concession Card. We'll send you one if you're eligible.

# Income test

- ▶ **Income Test**
- ▶ From 20 September 2024, a single pensioner can earn \$212 a fortnight and still be eligible for the full single pension of \$1144.40 a fortnight, including all supplements. They can also earn up to \$460 a fortnight from personal exertion - this is not included in the income test (refer to Work Bonus below). Once income exceeds \$212 a fortnight, the pension reduces by \$0.50 for every additional dollar earned.
- ▶ From 20 September 2024, a pensioner couple can earn \$372 a fortnight combined and still be eligible for the full pension of \$1725.20 a fortnight, including all supplements. They can also earn up to \$460 a fortnight each from personal exertion - this is not included in the income test (refer to Work Bonus below). Once income exceeds \$372 a fortnight, the pension reduces by \$0.50 for every additional dollar earned.

# Assets Test

- ▶ **Assets Test**
- ▶ From 20 September 2024, the full pension is available, under the assets test, for homeowner singles whose assessable assets are under \$314,000 - for homeowner couples the number is \$470,000. The numbers for non-homeowners are \$566,000 and \$722,000 respectively.
- ▶ Once assessable assets exceed the lower threshold, the pension reduces by \$3 fortnight for each \$1000 by which assessable assets exceed the lower threshold.
- ▶ A single homeowner can have up to \$695,500 of assessable assets and receive a part pension - for a single non-homeowner the higher threshold is \$947,500. For a couple, the higher threshold is \$1,045,500 for a homeowner and \$1,297,500 for a non-homeowner.

# Work Bonus scheme

- ▶ **Work Bonus**
- ▶ From 1 Jan 2024, new pensioners immediately received \$4,000 into their income bank, which they could use alongside the normal \$300 per fortnight exemption. This did not apply to existing pensioners before 1 Jan 2024.
- ▶ For these new pensioners, with the \$4,000 already in their income bank, if they just earned \$460 per fortnight for 12 months, it will all be excluded as it would use up the \$300 pf exemption plus the \$4,000 income bank.

# Commonwealth Health Concession Card

## Commonwealth Seniors Health Card

A concession card to get cheaper health care and some discounts if you've reached Age Pension age.

To get this card you need to meet all these conditions. You must:

- be Age Pension age or older
- meet residence rules
- not be getting an income support payment from Centrelink or the Department of Veterans' Affairs
- give us a Tax File Number or be exempt from doing so
- meet identity requirements
- meet the income test.

# Commonwealth Health Concession Card -Cont

## Income limits for the Commonwealth Seniors Health Card

To meet the income test, you must earn less than the following:

- \$99,025 a year if you're single
- \$158,440 a year for couples
- \$198,050 a year for couples separated by illness, respite care or prison.

Add \$639.60 to these amounts for each child in your care.

There is no assets test.

## Account based income streams

We look at your account based income streams as part of the income test. Account based income streams include account based pensions and account based annuities.

The balance of an account based income stream is subject to deeming. Deeming assumes that financial investments are earning a certain rate of income.

Deeming rules will only apply if any of the following occurs:

- you bought or changed it on or after 1 January 2015
- you own it and we granted your Commonwealth Seniors Health Card after 31 December 2014
- your partner owns it and they are 60 years old or more.

# Commonwealth Health Concession Card -Cont

## How we work out your deemed income

### **If you're single**

The first \$62,600 of your financial assets has the deemed rate of 0.25% applied. Anything over \$62,600 is deemed to earn 2.25%.

### **If you're a member of a couple and at least one of you get a pension**

The first \$103,800 of your combined financial assets has the deemed rate of 0.25% applied. Anything over \$103,800 is deemed to earn 2.25%.

### **If you're a member of a couple and neither of you get a pension**

The first \$51,900 of each of your own and your share of joint financial assets has a deemed income of 0.25% per year. Anything over \$51,900 is deemed to earn 2.25%.

### **If you earn more than the deemed rates**

If your investment return is higher than the deemed rates, the extra amount doesn't count as your income.

### **Where the deeming rates come from**

The Minister for [Social Services](#) sets these rates. They reflect expert advice about what the markets are doing.

# Low Income Health Care Card

## How the income test works

We assess the gross, before tax, income you earned in the 8 weeks before you submit your claim. This is to see if you can get the card.

Your income must be below the amount in the table for your situation.

### Income test when claiming and renewing a card

Status	Weekly income	Income in an 8 week period
Single, no children	\$783.00	\$6,264.00
Couple combined, no children	\$1,339.00	\$10,712.00
Single, one dependent child	\$1,339.00	\$10,712.00
Couple combined, one child	\$1,373.00	\$10,984.00
For each extra child, add	\$34.00	\$272.00

# Low Income - Cont

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## What type of income we assess

Examples of income we assess are:

- employment income, such as wages, salary and self-employment income
- employer provided fringe benefits
- rental income
- reportable super contributions, salary sacrifice
- Centrelink pensions, benefits and some supplementary payments
- Paid Parental Leave payments
- Self-Employment Allowance
- Department of Veterans' Affairs payments.

Read about [Self-Employment Assistance](#) on the Workforce Australia website.

We also assess:

- [deemed income](#) from financial investments, such as bank accounts, managed investments and shares
- deemed income from [account-based income streams](#)
- deemed income from the [sale of your principal home](#) when intending to purchase, build, rebuild, repair or renovate another principal home
- income from [income stream products](#), such as super pensions and defined benefit income streams
- foreign income
- private trusts and companies
- compensation payments, including periodical and lump sum
- lump sum payments such as redundancy, leave, or termination payments.

# Low Income - Cont

## What you need to do to keep the card

To keep the card, your gross weekly income mustn't go over the limit in the following table. This is in any 8 week period, before your card expires. If it does, we may cancel your card. We'll send you a letter to let you know.

### Income limits when you have a card

Status	Weekly income	Income in an 8 week period
Single, no children	\$978.75	\$7,830.00
Couple combined, no children	\$1,673.75	\$13,390.00
Single, one dependent child	\$1,673.75	\$13,390.00
Couple combined, one child	\$1,716.25	\$13, 730.00
For each extra dependent child, add	\$42.50	\$340.00

# Department of Veterans Affairs (DVA)

## Gold Card

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### Who can receive it

There are a number of ways you may be eligible for a Gold Card.

The card is to help veterans with significant medical impacts from their service, or certain types of service, and dependants of veterans who have died due to their service.

Click on the headings below to read about who can receive the Gold Card.

### Australian veterans

If you served with the Australian Defence Force (ADF) you may be eligible if you meet one of the criteria below and your service is covered by either:

- the [Veterans' Entitlements Act 1986 \(VEA\)](#)
- the [Military Rehabilitation and Compensation Act 2004 \(MRCA\)](#) □

# DVA - Gold Card

## Eligible Compensation Payments

You may be eligible if you receive a [Disability Compensation Payment](#) and you meet one of the following:

- › your payment is assessed at 100% of the general rate or higher under the VEA
- › you get an [additional amount for specific disabilities](#)
- › your payment for pulmonary tuberculosis was granted before 2 November 1978
- › You may be eligible under the MRCA if you are either:
  - getting or are eligible for the Special Rate Disability Pension
  - are assessed at 60 or more impairment points.

## Eligible Service Pensioners

If you are under 70 years old and you receive a [Service Pension](#) you may be eligible. We will send you a card if any of the below:

- › permanently blind in both eyes
- › have a [MRCA permanent impairment](#) of at least 30 points
- › your Disability Compensation Payment is 50% of the general rate or higher
- › your income and assets are below certain limits.

# WA Concession Card

## In summary to be eligible for a WA Seniors Card

- ✓ Aged 65 years or above
- ✓ An Australian Citizen, or hold an Australian Permanent Resident Visa
- ✓ Reside in Western Australia
- ✓ Work less than 25 hours per week

## WA Seniors Card Benefits



### Free off-peak travel

Members get free off-peak travel and concession rates at all other times on Transperth. Conditions apply.



### Local government rate rebate

Get a State Government rebate on local government rates. Conditions apply.



### Water rate rebate

Get a State Government rebate on water service charges. Conditions apply.



### Special offers

Members have exclusive access to special offers provided by participating businesses.



### Discounts

Members have access to discounts from participating businesses – search discounts near you.



### Competitions

Members can enter monthly competitions provided by our business partners.

[View all the benefits](#)



UNITED PETROLEUM

**Save 4 cents per litre with United**

 Automotive

# Pension Income offset

## Income limits

You meet this condition if any of the following applied to you in the income year of your claim:

- You didn't have a spouse and your rebate income was less than \$50,119.
- You had a spouse and the combined rebate income for you and your spouse was less than \$83,580.
- At any time during the year
  - you and your spouse had to live apart due to illness or because one of you was in a nursing home, and
  - the combined rebate income of you and your spouse was less than \$95,198 (less than \$47,599 for each partner).

# Pensioner Tax Rates

## Rates and thresholds for seniors and pensioners tax offset

To be entitled to the offset, your rebate income must be less than the relevant cut-out threshold in the table below. You receive the maximum offset if your rebate income is less than the shading-out threshold.

## Rates and rebate income thresholds for SAPTO

Status	Maximum tax offset amount	Shading-out threshold	Cut-out threshold
Single	\$2,230	\$32,279	\$50,119
Each partner of a couple	\$1,602	\$28,974	\$41,790
Each partner of an illness separated couple	\$2,040	\$31,279	\$47,599



# ▶ QUESTIONS

# References:

- ▶ <https://www.servicesaustralia.gov.au/pensioner-concession-card>
- ▶ <https://www.servicesaustralia.gov.au/commonwealth-seniors-health-card>
- ▶ <https://www.servicesaustralia.gov.au/low-income-health-care-card>
- ▶ <https://www.servicesaustralia.gov.au/who-can-get-disability-support-pension?context=22276>
- ▶ <https://www.seniorcard.wa.gov.au/>

# References- Cont

- ▶ <https://www.noelwhittaker.com.au/calculators/>
- ▶ <https://www.ato.gov.au/individuals-and-families/income-deductions-offsets-and-records/tax-offsets/seniors-and-pensioners-tax-offset>

# Do you qualify for the \$60,000 health card?

## RETIREMENT

Andrew Hobbs

**W**hat if there were a government handout that even someone with \$10 million in assets could comfortably get? What if that handout were worth conservatively \$60,000 – and more than \$90,000 if you lived in certain parts of Australia? And what if more than 1 million people who were entitled to the handout did not claim it?

Well, there is one. It's the Commonwealth Seniors Health Card.

It's already popular – some 500,000 people, mainly self-funded retirees – already get it. The card entitles holders to significant benefits on health and medical services, most notably a 75 per cent discount on the cost of prescription medicines and a lower Medicare safety net threshold that means doctor visits get cheaper, sooner.

The monetary value of those benefits averages out at about \$3000 a year for a single person, according to Retirement Essentials. That adds up to \$60,000 in total – based on the average 20-odd years of life expectancy of a 67-year-old Australian. We will come back to that calculation later.

But James Coyle, the chief customer officer at SuperEd, said many people who were entitled to the card do not currently claim it.

"We estimate there could be as many as 1.5 million self-funded retirees that don't

receive the CSHC. Some of these will have high incomes from rental properties, shares, et cetera, so may not be eligible, but a conservative calculation would be in the order of 1 million self-funded retirees who could be eligible who are not receiving it," says Coyle.

The reason they are missing out is because of an overlooked change in the income test used to calculate eligibility for the card that was made a bit over two years ago.

Historically, the income limit on the card was tied closely to the Pensioner Health Card (which offers very similar benefits). But on November 20, 2022, the limit jumped from \$57,761 for a single and \$92,416 for a couple to \$90,000 for a single and \$144,000 for a couple. After indexing the limits are now \$99,025 and \$158,440.

But those limits don't tell the whole story because the definition of income that is used to determine eligibility for the card excludes a lot of things that look like income.

"The means test definition used to calculate the qualification for the card is adjusted taxable income plus deemed income from account-based income streams," says Andrew Lowe, the head of technical services at Challenger.

Income from lifetime annuities sourced from super (and much of the income from non-super lifetime annuities) does not count as income at all under that definition.



More than 1 million self-funded retirees are entitled to the Commonwealth Seniors Health Card but do not claim it. Below: Andrew Lowe. MAIN PHOTO: OSCAR COLMAN



An individual can reduce their assessable income for the card by investing in an annuity using funds from some kinds of existing account-based pensions or by contributing funds to super to commence a superannuation annuity, Lowe says.

But the news is almost as good for income from account-based pensions, because the government doesn't use actual income in the eligibility test – it uses so-called deemed income which is usually much less than the actual income.

"Someone with the maximum of \$1.9 million in an account-based pension would be deemed to earn around \$41,500, well below the threshold of \$99,025," Coyle says.

"They could have another \$5 million or \$10 million in accumulation super and still qualify if they didn't have any other sources of income. Non-income producing assets such as art, cars, et cetera are also not assessed."

The even better news for residents of Western Australia, South Australia and NSW is that the perk is worth an extra \$32,440, \$11,540 and \$5000 respectively over an average lifetime.

Those numbers are based on the other benefits the card offers in those states such as discounts on energy, council and water rates, registration, driver's licences, and even glasses.

For example, in Western Australia, Challenger estimates that holders of Seniors cards and Commonwealth Seniors Health Cards are entitled to an average discount of as much as \$750 a year on council rates, \$600 on water rates, \$238 on car registration, \$47 on their driver's licence and \$27 on glasses. That adds up to \$1662 a year. It's almost as much as the \$2071 that WA pensioners get in discounts.

Challenger notes there are some caveats on those estimates, including that some of the amounts apply to households rather than individuals and other assumptions.

The bad news for Victorians, Queenslanders and Tasmanians is that they will have to be content with the \$3000 a year in health benefits as the Commonwealth Seniors Health Card doesn't come with any other benefits.

Still, it's pretty nice if you can get it. And you probably can. **■**

# Close

▶ **Our next meeting:** Thursday, 20<sup>th</sup> March, 10 am, Citiplace.

## Other ASA groups:

**27-Feb** - 4th Thursday, 10 am — Nedlands Discussion, contact Kevin

**28-Feb** - 4th Friday, 10 am — Perth South of the River (Bull Creek), contact Peter

**4-Mar** - 1st Tuesday of each month, 10:15am — Perth Member's Meeting & Investors Forum in State Library auditorium, contact Kaye

**18-Mar** - 3rd Tuesday, 10 am — Stirling Discussion (Tuart Hill), contact Chris

**19-Mar** - 3rd Wednesday, 10 am — Busselton Discussion, contact Bernie

▶ See: <https://www.australianshareholders.com.au/learn-connect/local-meeting-groups/>