



The Racing Wheel

The Rotary Club of Bathurst East Inc NSW Australia.
Bathurst East: The Friendly Club

Building Better Communities



Week Ending 21st April 2015

RI President: Gary C K Huang

District Governor: David Kennedy

President: Peter Keith 0427 101 213

Secretary: Lee Rayner 0419 414 970

Treasurer: Brian Burke 0438 159 323

Bulletin Editor: Tony Pollard 6334 2577 E-mail: info@amable.com.au

Web Link: www.bathursteastroty.net

Last week @ Rotary 15 April

Visitors

This week we welcomed Emily Hayes, President of our Interact Club along with local State member and Minister for Local Government, Paul Toole.

International Toast



The International Toast was again presented by PHF and Sergeant Bill Dickie. This week's toast was to the Rotary Club of Port Moresby, Papua New Guinea, in Rotary district 9600, which has 65 Clubs with 1555 members in parts of Queensland, Nauru, Papua New Guinea and the Solomon Islands.

The Rotary Club of Port Moresby received its charter on 19th September 1957 and currently has 23 members who meet on Tuesdays at Noon at the Royal Papua Yacht Club (pictured at right above).

For further details, please refer to the copy of Bill's notes as attached. Thanks Bill.

General Business

1. President Peter still has plenty of tickets available for the Combined Service Clubs Dinner to be held at the Panthers Club on this coming Saturday night 18th April 2015, commencing 6:30pm. Come along if you can.
2. Directors' Meeting: would all members of the Board note that the next meeting will be held at 5:00pm next Wednesday evening, April 22 at the RSL Club (to precede our normal weekly meeting).
3. Australian Rugby Choir – no further news as yet as to whether or not the performance set down for Saturday, 19 September 2015, will proceed.
4. Members are needed to man the van on the Proclamation events. On 7th May, van to operate from 9:30am to 4:00pm, and from 10:30am to 4:00pm on Saturday May 9. Large crowd expected and should prove very profitable. Kindly advise if you can help out.

5. Van also to be at the Auction on Sunday, April 26th. One shift only to be covered. Volunteers?
6. A new "committee" (?) comprising Stephanie, Bob and Chris reared its ah, head, with the suggestion that we hold a car rally at the same time as the Bathurst 12 Race as a fund raising activity. The rally could be known as the "Panorama Classic Car Rally". To be further investigated.

Three Minuter



The "Three Minuter" this week was a lesson in the "Newton Law of Physics", presented by PP Bob Newton.

Bob brought with him, an interesting engine which manages to get itself going using heat, and surprisingly, is known as a "heat engine".

In thermodynamics, a heat engine is a system that converts heat or thermal energy to mechanical energy, which can then be used to do mechanical work. It does this by bringing a working substance from a higher state temperature to a lower state temperature.

Bob demonstrated how this all worked with his presentation being very interesting and well received. Well done Bob.

Guest Speaker



The Hon. Paul Lawrence TOOLE, DipTeach MP

Our guest speaker this week was the Hon. Paul Toole, Member of the Legislative Assembly, Member for Bathurst, Minister for Local Government and Member of the Nationals. Paul was introduced to the meeting by Rtn Luis Hernandez.



Paul gave a very interesting "off the cuff" talk about just exactly what it is to be in politics, to become a member of parliament, and to be appointed a Minister of the Crown.

He began by thanking our Club, its members and Rotary in general for the tremendous efforts put into the community by such people and organisations which over time, have provided innumerable benefits back to the community.

Paul's interest in politics didn't first begin when in 1995, he was to the local Council, but extends back to 1974 when his father was a member of the Turon Shire Council. Paul remembers following around with his father as Toole Senior campaigned for re-election. Paul was thrilled when he was "promoted" to handing out pamphlets while listening to his father talking to various constituents.

When Paul's father stepped down from local politics, Paul thought that as he now knew quite a number of the "locals", he would step up to the mark. The rest as they say, is history.

While he finds political life very rewarding, it can also be very demanding on himself and his family –Paul sees over 3,000 constituents per year face to face or by telephone, with many more at the various functions he attends. He treats all with respect and in the same manner "whether or not they voted for him"

Many of the matters he comes face to face with are funny, others very sad and while he tries not to become personally involved, at times given the circumstances, it's virtually impossible not to do so.

Other aspects of the "job" is knowing who your real friends are – his closest friends are those who were with him during the tough days, not just the good days.

Paul spoke of his current time in the hot bed of State politics, but avoids getting personal during debates. He maintains good quality time with his family, with this being very important to him.

In conclusion, Paul asked that if you see him in the street, don't hesitate to walk up to and say "Hi".

PP John Cobby moved the vote of thanks to Paul for coming along and talking to us, with Paul receiving one of our bipartisan, Labor Party tested, Liberal approved, Greens condemned, coffee mugs.

Thought of the Week

The thought this week, was presented by Rtn Doug Barnes as follows:

“We can never see ourselves as others see us, even a mirror will present a reverse view”.

Thank you Doug.

Next week @ Rotary 22 April

Registrar: Bob Newton
Greeter/3 Minuter: Bill Dickie

Guest Speaker: Matt Casey
Thought for the Week: Geoff Fry

And the week after that: 29th April @ Rotary

Registrar: Terry Mahony
Greeter/3 Minuter: Lee Rayner

Guest Speaker: Doug Coates
Thought for the Week: Brian Burke

Van Roster – 10th May

Morning: Bill Dickie, Merryn Olson, Chris Olson
Afternoon: John Martin, Robin Price, Merran Sweeney

Question. Did you attend another Rotary meeting or participate in a Rotary project or activity? Please advise **all Rotary make-ups** to **Alan Petersen**.

Fellows please find a replacement if you are unable to fulfil your rostered duty.



Be a gift
to the world

Birthdays and Anniversaries

Please join us with best wishes to:

- 03 April Bob Newton – Birthday
- 11 April Chris Olson – Birthday
- 20 April Robin Price – Birthday
- 23 April Tony & Jennifer Pollard – Anniversary
- 29 April Brian & Marlene Welch - Anniversary



Other events and more!

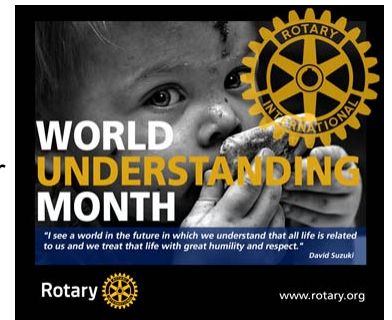
- Fri 17 Apr Royal Bathurst Show commences
- Sat 18 Apr Dinner – Combined Service Clubs of Bathurst
- Sun 03 May Car Rally – Bathurst east Rotary Club
- Sun 03 May District Assembly, High School, West Wyalong
- Thu 07 May Bathurst Bi Centenary – Local Event Day
- Wed 01 July Change over Dinner – Rydges Mt Panorama**
- Wed 09 Sept District Governor’s Official Visit & Ladies Night.
- Sat 19 Sept Australian Rugby Choir visit



April is Rotary Magazine Month

Rotary's focus this month is the Rotary Magazine.

Have you explored the rich world of Rotary Media information? April is magazine month and may be just the time to find and read some of the 27 regional magazines published for Rotarians all around the world including our Rotary Down Under, The Rotarian, Rotary World Press with stories and photographs of the people, the projects and Rotary activities from around the world.



Click here to access our Rotary Down Under Magazine.

More than half of Rotarians worldwide receive a regional magazine instead of The Rotarian. These publications are produced independently by Rotarians, distributed in more than 130 countries and published in 24 languages. They have a combined circulation of 872,000..



Interesting 'photos  *department.....*





Tax advice Department..... **Negative Gearing...Friend or Foe?**

Often proclaimed as a property investor's best friend, negative gearing is a concept that few people really understand. Sadly this ignorance is causing many investors a lot of financial heartache.

There's lots of hype when it comes to negative gearing. Lots and lots and lots in fact. And this all stems from the fact that quite a number of property sharks make a killing from selling negatively geared properties to unsuspecting investors.

Negative gearing is an option you may want to consider if you have money to invest.

With correct financial advice and with the selection of the right property, negative gearing may be a tax efficient investment strategy. That's great if you're thinking about entering the property investment market for the first time or want to increase your investment portfolio.

Negative gearing is when the costs of owning a property – interest on the loan, bank charges, maintenance, repairs and capital depreciation - exceed the income it produces.

Negative gearing works not only for property, but may also work for shares and bonds.

Property owners may be entitled to claim deductions and depreciation against rental income on the property depending on their circumstances. There are three main classes of deductions that may be available to property investors:

1. Revenue deductions

Examples of these include interest on the loan as well as ongoing maintenance and recurrent expenses such as agent's fees, council fees, advertising charges, bank fees, body corporate fees, cleaning expenses, gas, water, gardening and insurance.

2. Claims for capital items

Large capital items such as a hot water service, white goods, etc are subject to depreciation. If the owner is entitled to a tax deduction, this means the owner must claim the cost over a number of years rather than all at once. Depreciation schedules are set by the Commissioner of Taxation and range from a few years to more than 20 years.

3. Claims for building allowances

Owners may also be entitled to claim depreciation of capital works, specifically for building. The current rate is 2.5% over 40 years.

There is an inherent risk associated with borrowing to fund an investment. While negative gearing can help you increase your gain on borrowed funds, the losses can be large in adverse circumstances.

As a general rule, only investors with the financial capacity to absorb the effect of potential falls in investment values, as well as an increased cost in interest payments, should consider negative gearing.

You can minimise the risk of gearing by:

- choosing your investment property carefully. You need to try and select a property that is likely to increase in value throughout the investment period.
- having a sufficient income to cover the interest repayments if your tenants are late with their rental payments, or if your property remains vacant for any time. You also need to be able to fund ongoing repairs and maintenance.
- taking out mortgage protection insurance with your investment loan.

This example shows how an investment asset may be negatively geared.

Rental income on investment property

\$2,000 per month **Less**

Expenses (interest, maintenance etc)

(\$2,500) per month

Council rates and other expenses

(\$100) per month

Shortfall

\$600 per month

The net loss of \$600 per month (\$7,200 per annum) may be entitled to a tax deduction depending on your circumstances.

You can also positively gear a property. This occurs when the investment income exceeds your interest (and other possible deductions) expense.

Note that you may be subject to additional tax on any income derived from a positively geared investment.

You should consult your tax advisors/accountant or financial advisor before launching into a negative or positive gearing investment strategy.

The Final Word

The general PropertyInvesting.com community is not totally anti-negative gearing. It's a proven wealth-building strategy during times of rapid price increases provided you can comfortably afford the negative cash flow and are happy to continue working. As the saying goes... 'horses for courses'.

Negative gearing is a strategy designed to lose money and in order to fund that loss you will need to continue working. This makes the strategy at odds with the broader target of financial independence. If your goal is to stop working as soon as possible or to free up more time to do the things you love, then negative gearing is not a wealth building strategy you should implement.

Remember that there's a lot of hype about negative gearing because a huge industry of developers and sales agents make a living by selling property. It's more important than ever that you complete a proper due diligence over a potential property purchase to ensure you can afford the ongoing cash outflow from your property.

The nutshell...

Be very careful about blindly purchasing any kind of property.

Be extra cautious when buying something when the outcome is likely to be negative cashflow.

Be extremely careful when buying property that a sales agent or a developer says has tax advantages... this is a red flag that the property is guaranteed to lose money.

Making a profit from speculating that property prices *might* rise while you incur a *certain* income loss is risky.

Remember that if all you did was make money, then you'd have to make money. If your investments are not making money then something's going badly wrong.

The Nine Questions to Always Ask:

1. What's the end purpose to my investing?
2. Will buying this property bring me closer to, or push me further away from that goal?
3. Am I saving tax or making money?
4. What is the annual cash in or outflow?
5. Can I afford to make a sustained loss?
6. What is my exit strategy if things get tough?
7. What has to happen in order for my property to make money?
8. How many of these properties could I afford to own?
9. Have I checked and double-checked all the figures and sought independent information to ensure the data I have is realistic?

Please note that depreciation benefits have not been discussed in this analysis of negative gearing since it was assumed that the property purchased did not attract any depreciation.

This information is for educational purposes only. It is not a substitute for individual tax and/or financial advice provided by your accountant, registered tax agent or financial planner.



TIME TO LAUGH, CRY, OR BE DISGUSTED

Getting catty

A man absolutely hated his wife's cat and decided to get rid of him one day by driving him 20 blocks from his home and leaving him at the park.

As he was getting home, the cat was walking up the driveway.

The next day he decided to drive the cat 40 blocks away. He put the beast out and headed home.

Driving back up his driveway, there was the cat!

He kept taking the cat further and further and the cat would always beat him home. At last he decided to drive a few miles away, turn right, then left, past the bridge, then right again and another right until he reached what he thought was a safe distance from his home and left the cat there.

Hours later the man calls home to his wife:

"Jen, is the cat there?"

"Yes," the wife answers, "why do you ask?"

Frustrated, the man answered, "Put that son of a ***** on the phone, I'm lost! and need directions!"

Engineers 1 Accountants 0

Three engineers and three accountants were traveling by train to a conference. At the station, the three accountants each bought tickets and watched as the three engineers bought only one ticket.

"How are three people going to travel on only one ticket?" asked an accountant.

"Watch and you'll see", answered an engineer.

They all boarded the train. The accountants took their respective seats, but the three engineers all crammed into a rest room and closed the door behind them. Shortly after the train departed, the conductor came around collecting tickets. He knocked on the restroom door and said, "Ticket, please".

The door opened just a crack and a single arm emerged with a ticket in hand.

The conductor took it and moved on.

The accountants saw this and agreed it was a quite clever idea. So, after the conference, the accountants decide to copy the engineers on the return trip and save some money (being clever with money, and all that). When they got to the station, they bought a single ticket for the return trip. To their astonishment, the engineers didn't buy a ticket at all.

"How are you going to ride without a ticket"? said one perplexed accountant.

"Watch and you'll see", answered an engineer.

When they boarded the train, the three accountants crammed into a restroom and the three engineers crammed into another one nearby. The train departed. Shortly afterward, one of the engineers left his restroom and walked over to the restroom where the accountants were hiding. He knocked on the door and said, "Ticket, please."

Microsoft Blues

A pilot is flying a small single engine plane with a lot of really important execs on board into Seattle airport. There is fog so thick that visibility is 10m, and his instruments are out. He circles looking for a landmark and after an hour, he is low on fuel and his passengers are very nervous. At last, through a small opening in the fog he sees a tall building with one guy working alone on the fifth floor.

Circling, the pilot banks and shouts through his open window: "Hi, where am I?"

The solitary office worker replies: "You're in an airplane."

The pilot executes a swift 275 degree turn and executes a perfect blind landing on the runway five miles away. Just as the plane stops, the engines cough and die from lack of fuel. The stunned passengers asked the pilot how he did it.

"Simple," replies the pilot, "I asked the guy in that building a simple question. The answer he gave me was 100 percent correct but absolutely useless; therefore, that must be Microsoft's support office, and from there, the airport is just 5 miles away on a bearing of 87 degrees!"

OK Ladies, You Win

A man and a woman get in a terrible car wreck.

Both of their vehicles were completely destroyed, but fortunately, no one was hurt.

"Thankful," the woman says to the man in a flirting tone, "We're both okay, we should celebrate."

So the woman gets a bottle of wine out of the trunk of the smashed car, and hands it to the man with a smile.

The man almost forgetting about the accident takes a really big drink, and hands the bottle to the woman.

The woman closes the bottle and put it away.

The man asks, "Aren't you going to take a drink?"

And the woman replies, "No, I'll celebrate after the cops leave."

Ladies, You Win Again

A police officer pulls over a speeding car.

The officer says: "I clocked you at 80 miles per hour, sir."

The driver says, "Gee, officer, I had it on cruise control at 60; perhaps your radar gun needs calibrating."

Not looking up from her knitting the wife says: "Now don't be silly, dear — you know that this car doesn't have cruise control."

As the officer writes out the ticket, the driver looks over at his wife and growls, "Can't you please keep your mouth shut for once!!?"

The wife smiles demurely and says, "Well dear you should be thankful your radar detector went off when it did or your speed would have been higher."

As the officer makes out the second ticket for the illegal radar detector unit, the man glowers at his wife and says through clenched teeth, "Woman, can't you keep your mouth shut?"

The officer frowns and says, "And I notice that you're not wearing your seat belt, sir. That's an automatic \$75 fine."

The driver says, "Yeah, well, you see, officer, I had it on, but I took it off when you pulled me over so that I could get my license out of my back pocket."

The wife says, "Now, dear, you know very well that you didn't have your seat belt on. You never wear your seat belt when you're driving."

And as the police officer is writing out the third ticket, the driver turns to his wife and barks, "WHY DON'T YOU PLEASE SHUT UP??"

The officer looks over at the woman and asks, "Does your husband always talk to you this way, Ma'am?"

"Only when he's been drinking, officer."

True Justice

A judge enters the courtroom, strikes the gavel and says, "Before I begin this trial, I have an announcement to make. The lawyer for the defence has paid me \$15,000 to swing the case his way. The lawyer for the plaintiff has paid me \$10,000 to swing the case her way. In order to make this a fair trial, I am returning \$5,000 to the defence."

Shakespeare of the Air

My grandparents were taking me on a vacation to Disneyland. Grandma was excited for me when we boarded the plane, she exclaimed that I was lucky, because I got the Shakespeare seat.

"Why is it the Shakespeare seat Grandma?"

"You are in seat 2-B, so it's the Shakespeare seat."

"Don't be silly Grandma. All the seats on an airplane are Shakespeare seats."

"How do you figure that?"

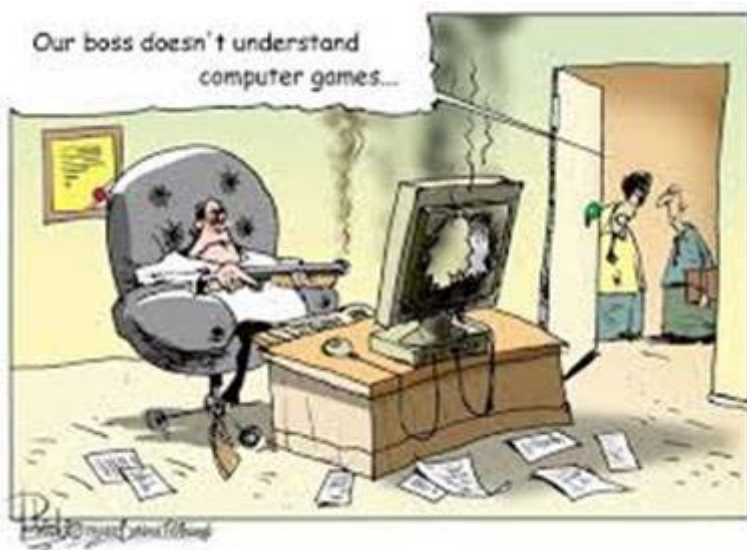
"Well, it's either seat 2-B or not 2-B."

Hmm, naughty?

There was a papa mole, a momma mole, and a baby mole. They lived in a hole out in the country near a farmhouse. Papa mole poked his head out of the hole and said, "Mmmm, I smell sausage!" Momma mole poked her head outside the hole and said, "Mmmm, I smell pancakes!" Baby mole tried to stick his head outside but couldn't because of the two bigger moles. Baby mole said, "The only thing I smell is molasses."



Cartoon corner



"All the other women in the office are suing you for sexual harassment. Since you haven't sexually harassed me, I'm suing you for discrimination."



"Male, 38, still living with his parents. They asked us to keep him overnight, so they could change the locks."





THE FOUR-WAY TEST

of the things we think, say or do

1. Is It the **TRUTH**?
2. Is It **FAIR** to all concerned?
3. Will It build **GOOD WILL** and **BETTER FRIENDSHIPS**?
4. Will It be **BENEFICIAL** to all concerned?

OBJECT OF ROTARY

The object of Rotary is to encourage and foster the ideal of service as a basis of worthy enterprise and, in particular, to encourage and foster;

First: The development of acquaintance as an opportunity for service;

Second: High ethical standards in business and professions; the recognition of the worthiness of all useful occupations, and the dignifying of each Rotarian's occupation as an opportunity to serve the society;

Third: The application of the ideal of service in each Rotarian's personal, business, and community life;

Fourth: The advancement of international understanding, goodwill, and peace through a world fellowship of business and professional persons united in the ideal of service.

THAT'S IT FOR NOW, SEE YOU ALL NEXT WEDNESDAY



Tony Pollard – Editor

What is Rotary?

Rotary is ordinary people around the world sharing their professional skills and working together in a social environment to build better communities.

We operate as a Club with weekly meetings developed around a guest speaker or special event where business, community and service issues are discussed in an interactive and relaxed atmosphere.

Come and join us:

Wednesday evenings 6.00 for 6.30pm at Bathurst RSL Club
Rankin Street, Bathurst, NSW 2795 Australia

