



Andep Investment Consultancy

Analytical advice since 1982.

December 2020 Quarter in Review

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1 Covid 19

1.1 Opinion

While the virus is neither contained nor controlled, it will be during 2021. The pandemic is now bound for history, fading with the spots and crosses on floors.

It is interesting to look back on our March 2020 opinion. We said

 “We can be sure that the sun will rise tomorrow, next quarter and next year”. It did.

 “The year will probably be dominated by the virus.” It was.

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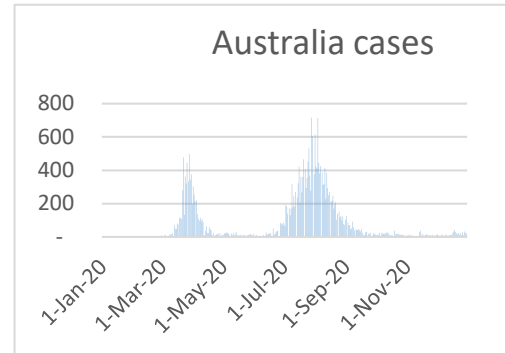
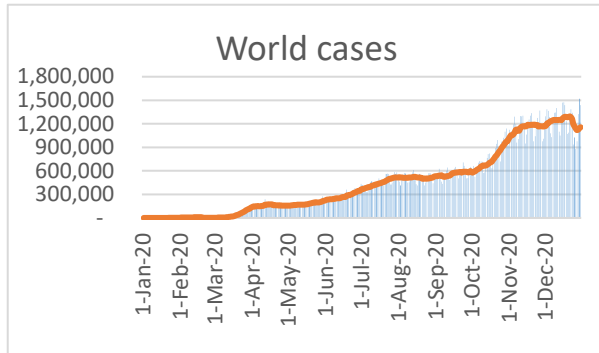


- 🧩 “*We are hostage to both the wisdom and madness of crowds.*” Both were demonstrated. It was also demonstrated that not all Australians are taciturn and selfless.
- 🧩 “*We have reason to thank our elected leaders and their advisers for their management of this situation.*” This generally remains true, but one should not be over effusive. After all, that is their job. Commentary that the crisis would prove an opportunity for reform has largely proved optimistic. Neither the government nor the cross bench has displayed the political will and courage to engage in major reform.
- 🧩 “*Experts regard a vaccine unlikely in 2020, so the threat will hang around.*” Vaccines have come on stream faster than anticipated.
- 🧩 “*Some household balance sheets will be worse than before, but those who kept their jobs and were largely prevented from discretionary spending may emerge stronger.*” The strength of saving has created a pool of money set to be released for consumption expenditure.
- 🧩 “*It doesn’t appear that rethinking will yet extend to serious reduction of household debt. That awaits another crisis.*” While some household balance sheets are better, there is no reason to believe the improvement permanent. We await the next crisis.
- 🧩 “*Clearly more government debt will exist. It will require one or more of time, taxation and inflation to clear.*” There seems little government appetite to address this until unemployment rates fall.

1.2 Epidemiology

At the start of the quarter, 34 million Covid cases and 1 million Covid deaths had occurred. By the end of the quarter, these numbers were 83 million and 1.8 million respectively. Active cases rose from 7.6 million to 21.8 million over the quarter. Case mortality fell from 2.99% to 2.20%.

Under the impetus of major Northern Hemisphere restrictions, and the beginning of vaccinations, the rate of growth, if not the absolute numbers of cases is slowing. Australia endured tightened restrictions as the year ended, but the case load is much smaller than the second wave.



Victoria's hard lockdown proved successful, but on 15 November South Australia issued a false alarm when it was thought a pizza worker was a customer and that a very virulent strain had emerged.

The virus escaped a member of an airline crew quarantining in New South Wales sparking the Avalon Beach and subsidiary clusters. This virus also spread to Victoria.

The virus continues to mutate.

1.3 Getting used to Covid

From the start of December, the European Centre for Disease Prevention and Control which Andep has been using as a data source switched to weekly reporting.

Masks and restrictions have become the norm in other jurisdictions but not without resistance and, in some cases, riots.

In Western Australia, other than the annoyance of travel restrictions, there is little change in the way people go about their lives. The Safe WA app seems to be as much honoured in the breach as the observance.

1.4 Vaccines?

On 10 November, a day after world cumulative cases reached 100 million, the Pfizer vaccine trail was announced as 90% effective.

By the end of the quarter, at least nine vaccines had secured authorisation from various governments and almost 1.5 million doses had been administered.



1.5 Economic effect

1.5.1 The snap back is coming

Despite the lockdown in Victoria, the ABS was able to announce on 2 December that GDP grew in the September quarter. Growth will be enhanced by the Reserve Bank of Australia (RBA) stimulus mentioned in paragraph 3.4.

1.5.2 JobSeeker further extended

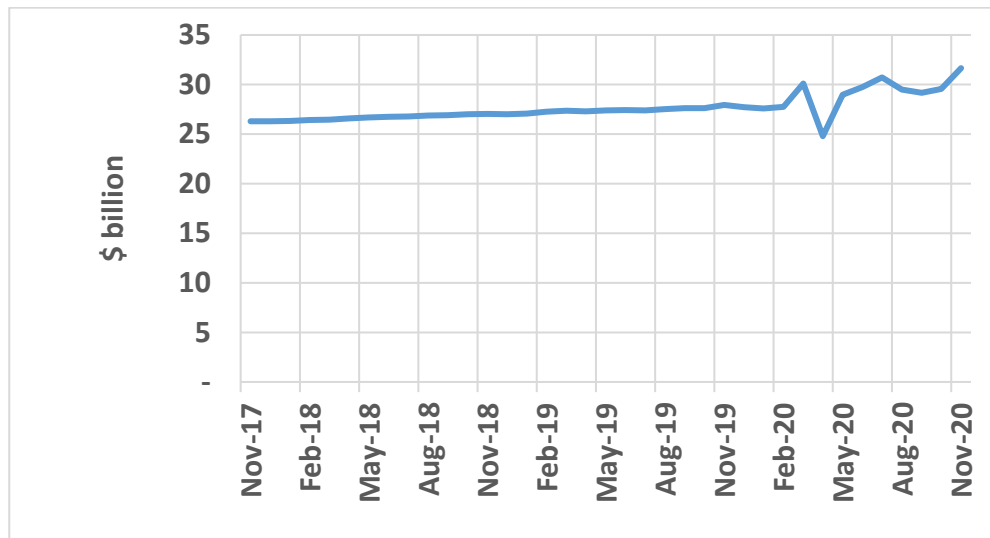
On 10 November, the Prime Minister announced Jobseeker would continue until the end of March 2021 at the reduced fortnightly rate of \$465. The Coronavirus supplement will also continue to the end of March at the current \$250 per fortnight. The government has repeatedly rejected suggestions that Jobseeker be extended.

1.5.3 Staff shortages

JobKeeper and JobSeeker benefits and the travel restrictions are exposing staff shortages as the economy rebounds.

1.6 Spending effect

The adjacent chart, sourced from ABS series 8501, shows seasonally adjusted retail turnover sales over the last three years.



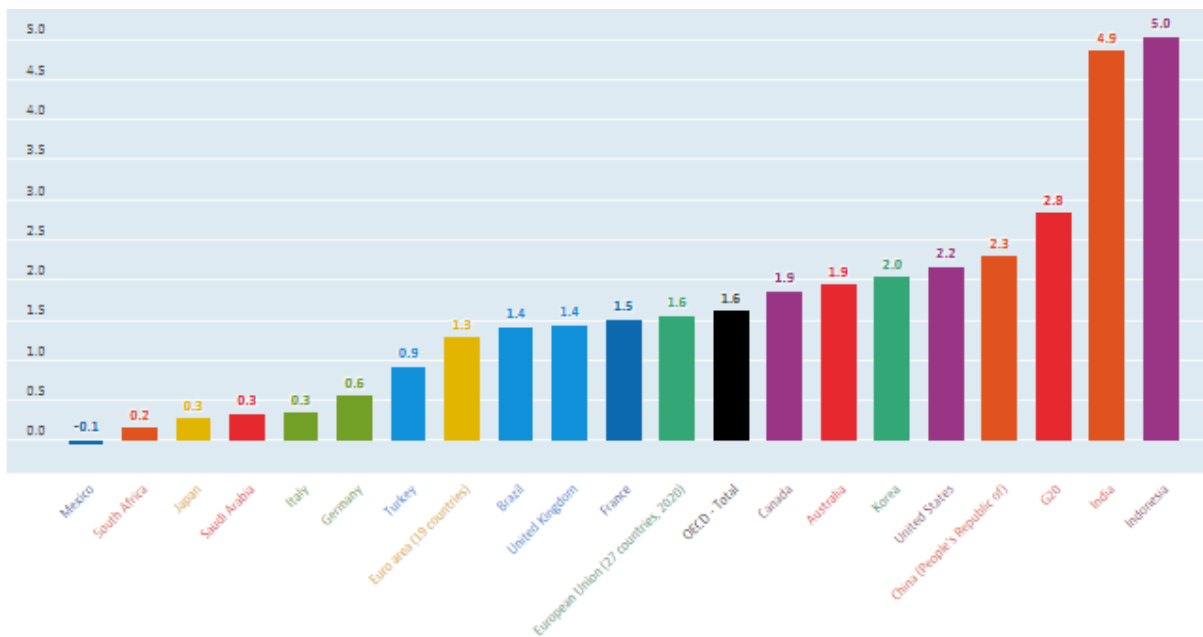


1.7 Unemployment

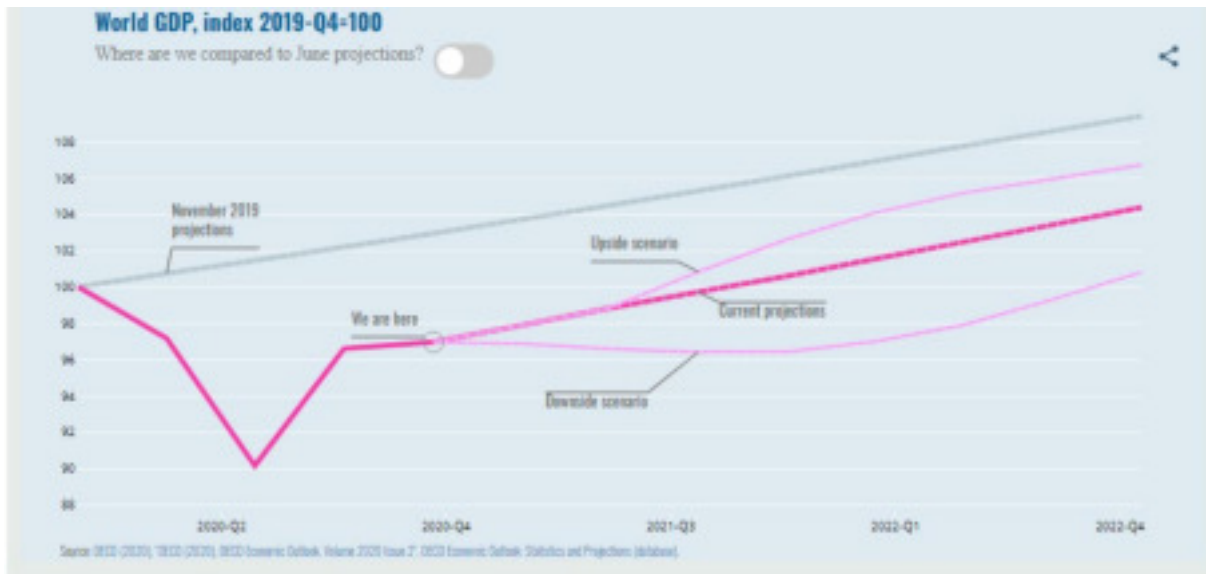
Still somewhat masked by Job Seeker, the unemployment rate is now below 7% (6.8% for November).

1.8 GDP

As indicated in the following OECD [chart](#), most major countries have experienced GDP growth in the most recent quarter.



Under the title “*Turning hope into reality*”, the OECD released this [chart](#) as part of its December economic outlook.



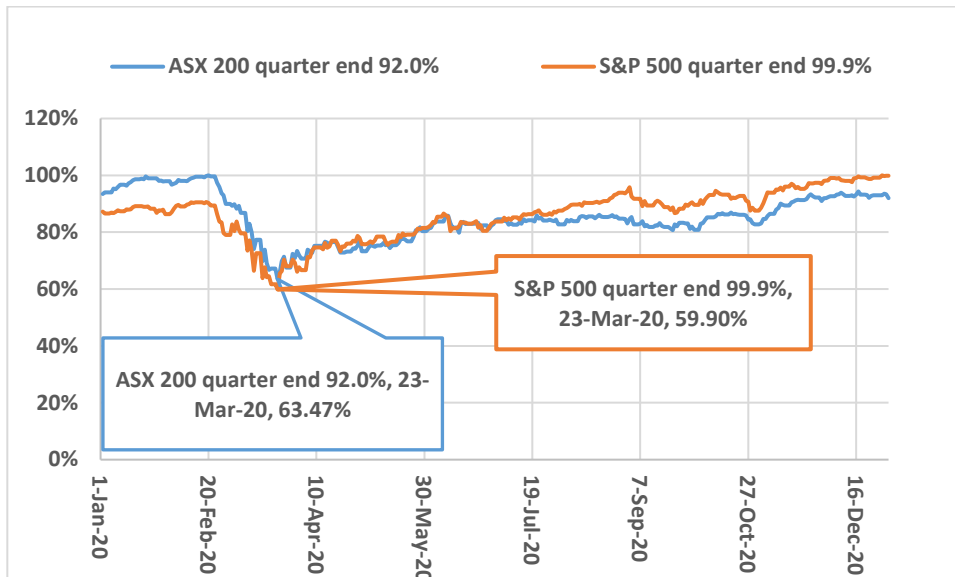
Last quarter, we showed the following corresponding chart.





1.9 Stock markets

Stock markets fell significantly but have retraced many of their losses, as indicated in the following chart of the Australian ASX 200 and the US S&P 500, both indexed to 100% at their peak. Indeed, the US index ignored Covid 19 ending 18 August at an all time high and rising a further 10.6% since then.



1.10 The blame games

The Victorian enquiry, which scalped that State’s Health Minister in September, last quarter also triggered the resignations of the Secretaries of the Department of Premier and Cabinet and of the Department of Health and Human Services in October and November respectively.

The final report (21 December) of the enquiry included “*Ultimately, the evidence did not identify that any one person decided to engage private security in the [hotel quarantine] Program*”.

The Commonwealth escaped severe media criticism despite the enquiry’s summary including

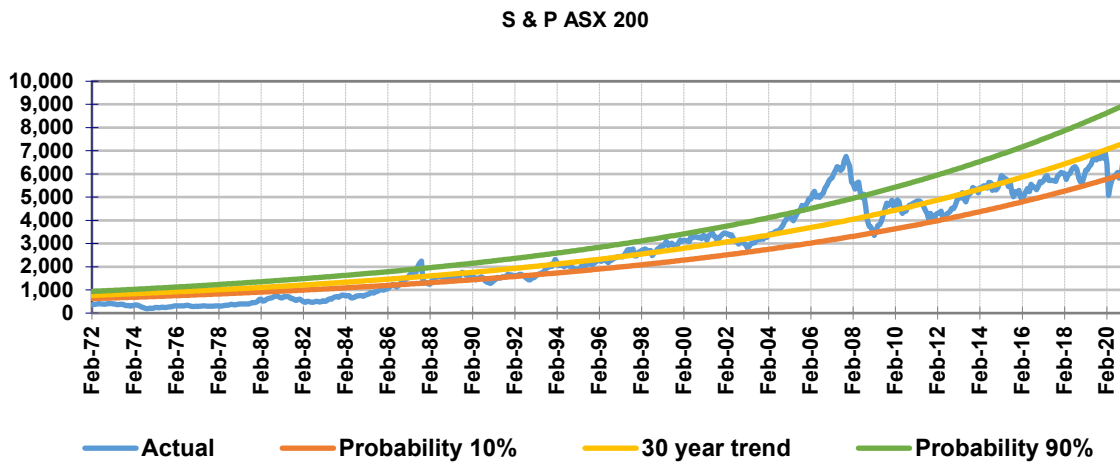


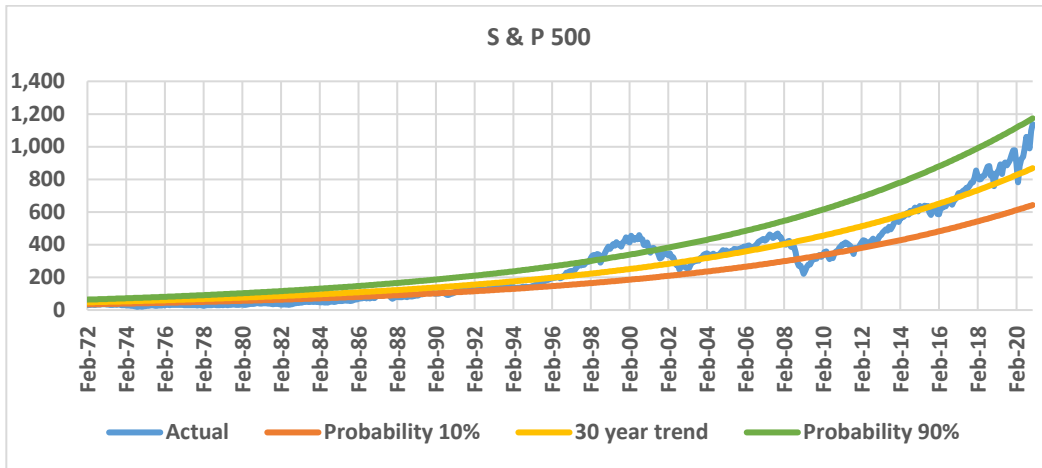
5. Given the existence of pandemic plans at the Victorian and Commonwealth level, a question before the Inquiry was whether, prior to the announcement and establishment of the Hotel Quarantine Program in Victoria, there was planning for a mass quarantine program that could have informed this Program.

6. In short, there was not. That was despite a review of the Commonwealth's response to the(H1N1) pandemic, published in 2011, recommending an examination of the policy on quarantine..."

2 Markets and trend lines

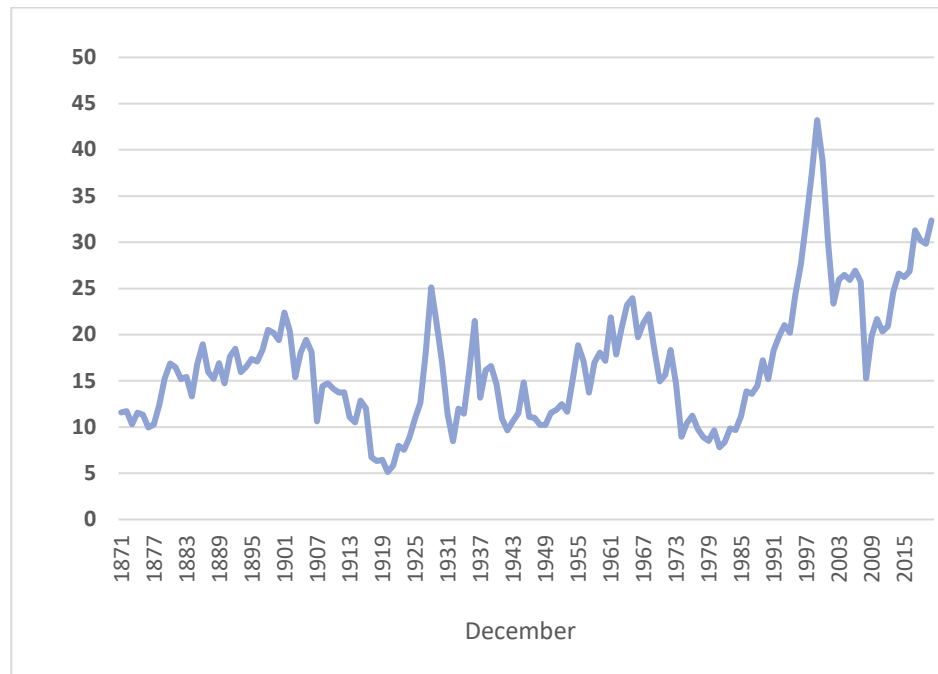
The following charts show, respectively, the best fit of constant compound growth in the Australian and United States of America broad market indices together with some statistically derived probability percentiles. On this statistical basis, the Australian market moved during the quarter from roundly 1.5 standard deviations below the trend to 0.7 standard deviations below the trend while the US moved from a three quarters of a standard deviation above its trend line to 1.15 standard deviations above it.





US share prices measured as a proportion of ten year average inflation adjusted earnings are roundly 27% above the 20 year average of the measure.

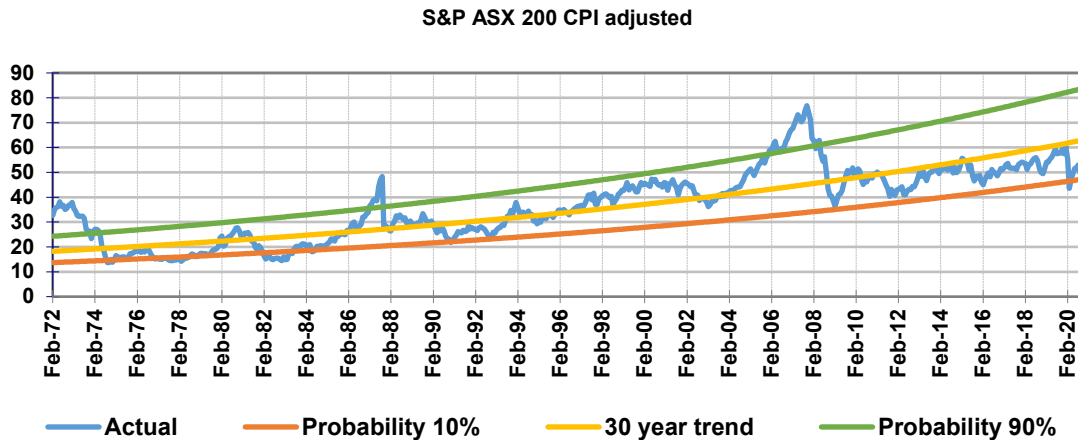
The adjacent chart shows the last 150 December values of this variable.



As written in previous Quarters in Review, the 30 year trends encompass a period of steadily falling interest rates, which is at or near its end. These may make conclusions from the trend charts optimistic.



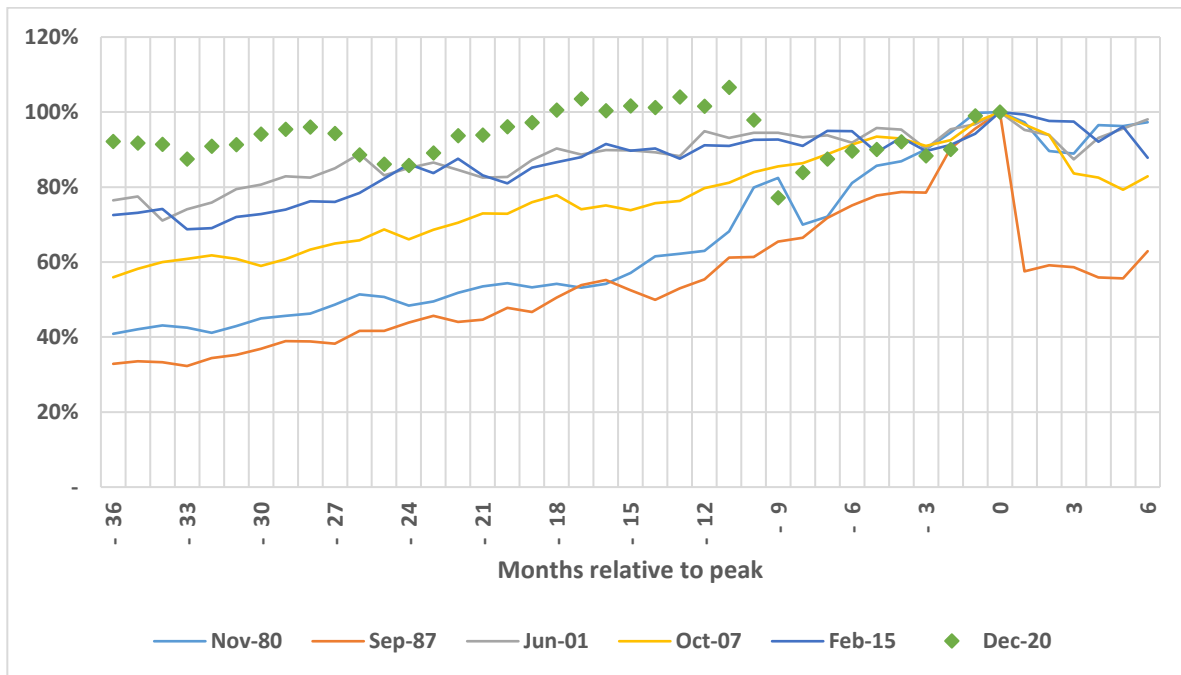
The last thirty years have also been a period of generally declining inflation. The following chart shows similar information and a similar conclusion for the Australian stock market adjusted for Consumer Price Index inflation.



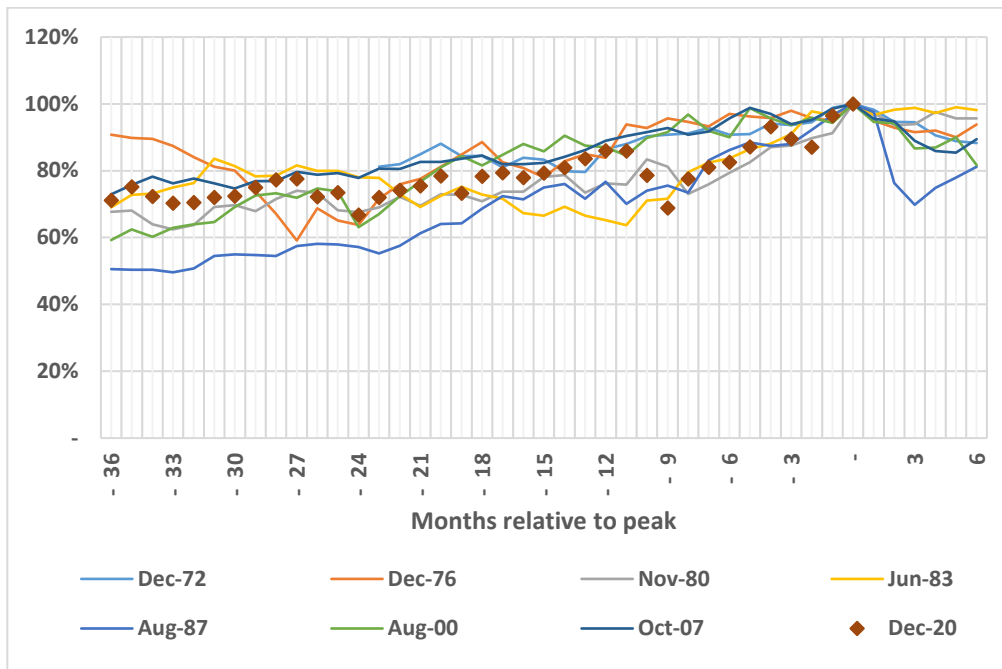
In the March and June Quarters in Review, we replaced charts showing the lead up to falls in stock markets with the history after falls. We revert to the former now.

The next two charts seek to show a comparison of the movement in the three years leading up to the end of the quarter and the three years before and six months after significant peaks.

The following chart relates to Australia and the diamonds of recent progress show the movement in the last nine months is in the mid range of movements leading to falls, but the longer term progress has been flatter than that leading to other falls.

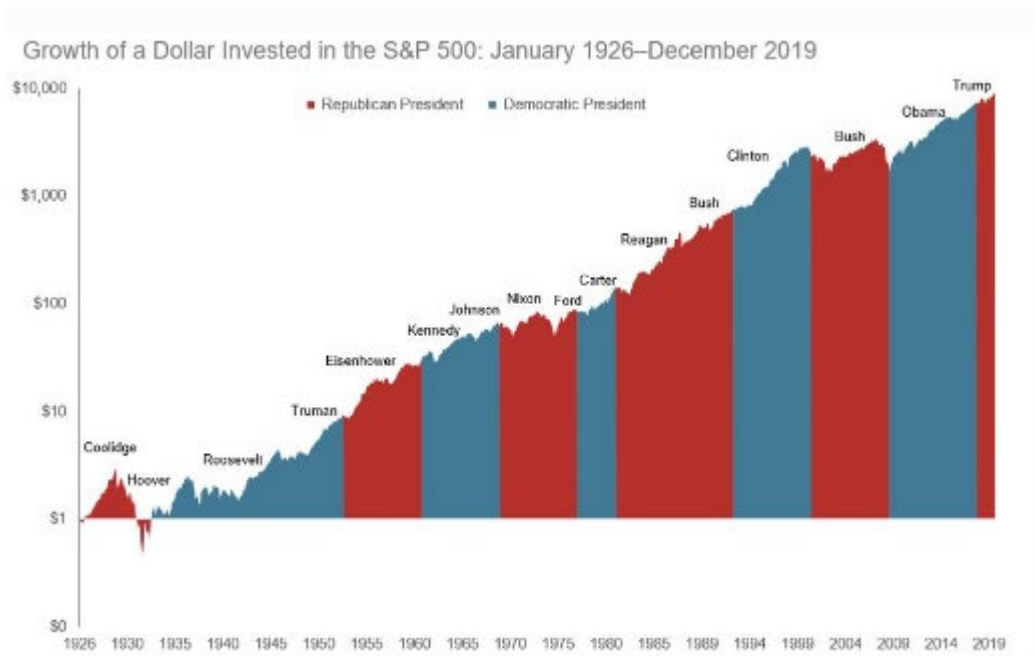


The corresponding chart for the US market shows the fast recent growth and mid range longer term growth.



With the exception of London, all the markets that have statistics published by the RBA, are higher than they were three years ago. For a four year period, only Shanghai is lower now than it started the period.

In the last Quarter in Review, we referred to a chart (Source [Forbes](#)), which we repeat below. The chart shows the US stock market is generally not spooked by election of a Democratic president and takes re election of a Republican in its stride. We wrote “*The market will likely be indifferent to whether the bland septuagenarian replaces the blustery septuagenarian.*”. Blandness has replaced bluster. Driven by covid stimulus, and absent any new crisis, we have no fears for the short term of that market. But the market is historically elevated and vulnerable to tighter monetary policy whenever that occurs.



3 Economic milestones

3.1 The old embraces the new

On 20 October, Westpac announced cooperation with Afterpay. In particular, it announced

"The new digital bank-as-a-service platform uses cloud native technology from 10x Future Technologies and allows Westpac to work with leading companies to offer convenient and innovative banking services to Australians".

"Afterpay is in a unique position to extend and deepen the relationship with our customers and help them manage their money more (sic) seamlessly" waxed the Afterpay CEO. A senior Westpac executive responded in kind "...collaborate closely with our partners and we are excited to work with Afterpay to pioneer services relevant to, and reflective of, its customer base and unique business model."

3.2 New vehicle sales rebound

The AFR of 4 December reported that November new vehicle sales constituted the first increase after 31 months of declines.



3.3 World's largest trade deal

On 15 November Australia formally joined the Regional Comprehensive Economic Partnership representing 30% of world GDP.

3.4 Interest rates

On 3 November, the RBA cut its cash rate from 0.25% to 0.10% and announced its intention to buy \$100 billion worth of Commonwealth and State government bonds over the next six months. Both are new territory for the RBA; previously it had intervened in the bond market to hold interest rates down but the announced bond buying moves the bank to “Quantitative Easing”(QE) as practiced by many other central banks.

3.5 Stamp duty change

The NSW budget introduced an option for real estate buyers to elect to lock higher land tax into their property instead of paying stamp duty. This reform, advocated for many years, may spread to other states and lead ultimately to a two tiered property market.

3.6 Bitcoin resurgence



At the end of the quarter, the price of a Bitcoin exceeded \$35,000. Its recent rise has been spectacular, but so have its falls. There appears little rational reason for the rise. Speculation, rather than investment seems to be the driver.

Source: XE.com



3.7 Chines trade tension

Last quarter we reported that wine and barley were subject of Chinese obstruction. Crayfish joined the list in November.

3.8 Union breakup?

The AFR of 6 November speculated that the resignation of the National Secretary of the CFMMEU, which until its recent absorption of the maritime workers (M) was the CFMEU, may lead to reversion of the old name as the mining division contemplates leaving. On 25 November, the same newspaper reported the resignation of the union's national president. There is talk of legislation to allow a demerger of the union into some of its previous components.

3.9 More union trouble

On 23 December, the AFR reported that a non union builder was in contention for a major job at the Sydney Powerhouse Museum, the first such situation in many years. The paper implied the union's recent claims are too expensive to accede to.

4 Legislation

4.1 Tax cuts

The tax cuts originally scheduled for July 2021 were brought forward to apply for the current financial year under the Treasury Laws Amendment (A Tax Plan for the COVID-19 Economic Recovery) Act 2020 assented to on 6 October.

4.2 Double dip prevention

Included in the Fair Work Amendment (Supporting Australia's Jobs And Economic Recovery) Bill 2020 are provisions to allow casual loadings to be offset against leave liabilities. It responds to a May Federal Court ruling that entitled certain casual employees to leave associated with permanent employment.

4.3 Cash prohibition shelved

The Currency (Restrictions on the Use of Cash) Bill 2019, having met cross bench resistance, will no longer proceed. It had aimed to prevent cash transactions in excess of \$10 thousand.



5 The environment

5.1 Carbon tariffs?

The AFR of 4 October reported that the European Union was “getting serious” with its Carbon Border Adjustment Mechanism due to commence in 2023. It noted that this will have ramifications for Australian exporters to that Union.

5.2 ANZ coal pressure

On 29 October, ANZ announced “*For existing customers who have more than 50 per cent thermal coal exposure, we will engage with them to seek specific, time bound and public diversification strategies. If they do not have this strategy by 2025, we will cap limits and reduce our exposure over time. By 2030, this threshold will reduce to 25 per cent;*

By 2030, we will only directly finance gas and renewable power generation.”

This statement raised the ire of several National Party politicians including David Littleproud who suggested this might attract a review of the government guarantee of bank deposits, which former RBA Governor and Treasury Secretary Bernie Fraser called “irresponsible”.

5.3 Reduced expectations

The 600MW big battery planned by Neon Energy for Geelong and reported in the June Quarter in Review will be halved in size.

5.4 Changed expectations

On 10 November, the ABC reported that the Asian Renewable Energy Hub plans to use its world’s largest wind and solar facility to create ammonia instead of sending electricity under the sea to Singapore. Ammonia has an established distribution method and can fuel generators, but the oxides of nitrogen that are created in that process must be controlled lest they cause acid rain.

5.5 Mainstream hydrogen

The AFR of 18 November reported involvement of Fortescue Metals and Origin Energy in plans to export hydrogen and ammonia produced using renewable energy sources.

5.5.1 Some good news


Two articles in the 25 November Renew Economy provide some hope. Giles Parkinson [reported](#) that “*South Australia and Victoria seem to be engaged in a competition for bragging rights over who has the biggest big battery in the country.*” His colleague, Sophie Vorath, [reported](#) that consultancy EY has ranked Australia third in the EY Renewable Energy Country



Attractiveness Index “for the first time thanks to a big boost from its green hydrogen and solar energy export plans.”

5.6 Australia not the worst

The Climate Change Performance Index published by Germanwatch, CAN International and the NewClimate Institute evaluates and compares the climate protection performance of 57 countries and the EU. The first page of its rankings started thus.

Ranking 

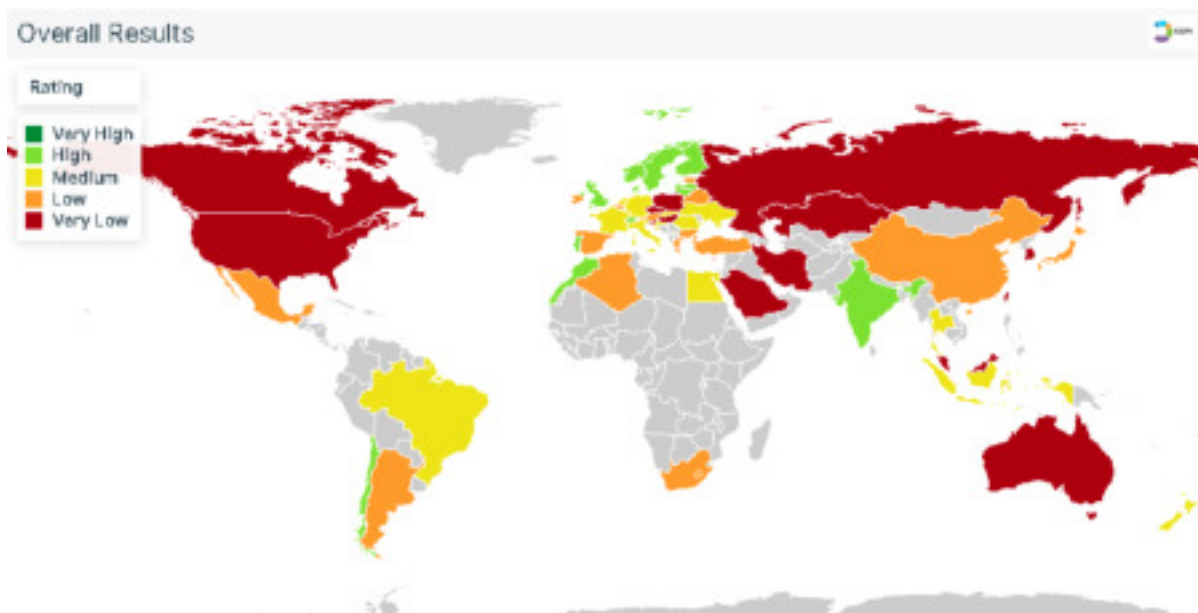
Rank	Country	Score
1.		
2.		
3.		
4.	– Sweden	74.42
5.	△ United Kingdom	69.66
6.	▽ Denmark	69.42
7.	▽ Morocco	67.59
8.	△ Norway	65.45
9.	△ Chile	64.05
10.	▽ India	63.98

and finished thus.



52.	– Russian Federation	30.34
53.	△ Republic of Korea	29.76
54.	△ Australia	28.82
55.	▽ Kazakhstan	28.04
56.	▽ Malaysia	27.76
57.	△ Chinese Taipei	27.11
58.	▽ Canada	24.82
59.	▽ Islamic Republic of Iran	24.58
60.	– Saudi Arabia	22.46
61.	– United States	19.75

Australia improved two ranks from 2019. The CCPI world view follows.





6 Economic and market statistics

The following table shows key economic and market statistics.

	Latest date	Now	1 year ago	3 years ago	7 years ago
S&P /ASX 200- Australia	Dec 20	6,582	6,684	6,065	5,352
Annual change to latest date			-1.5%	2.8%	3.0%
S&P /ASX 200 dividend yield	Aug 20	3.09%	4.13%	4.39%	4.00%
S&P /ASX 200 P/E ratio	Aug 20	39.8	16.53	15.39	16.18
Topix- Japan	Dec 20	104.1	99.30	104.80	75.10
Annual change to latest date			4.8%	-0.2%	4.8%
S&P 500- US	Dec 20	1137.4	978.4	809.7	559.8
Annual change to latest date			16.3%	12.0%	10.7%
GDAXI- Germany	Sep 20	12,812	12,470	12,866	8,619
Annual change to latest date			2.7%	-0.1%	5.8%
Average weekly earnings \$	Jun 20	1,714	1,635	1,543	1,421
Annual change to latest date			4.8%	3.6%	2.7%
Consumer price index	Dec 20	116.20	116.20	112.10	104.80
Annual change to latest date			0.0%	1.2%	1.5%
Unemployment	Dec 20	6.6%	5.10%	5.60%	5.90%
Gross domestic product \$ m per quarter	Jun 20	445,799	475,208	445,611	387,096
Annual change to latest date			-6.2%	0.0%	2.0%
RBA cash rate	Jan 21	0.1%	0.75%	1.50%	2.50%
3 year Commonwealth bond	Sep 20	0.2%	0.78%	2.06%	2.90%
10 year Commonwealth bond	Sep 20	0.9%	1.03%	2.70%	4.00%
USD/AUD	Sep 20	0.7108	0.6749	0.7839	0.9309
Annual change to latest date			5.3%	-3.2%	-3.8%

7 Other peoples' views

7.1 0.75 born every day

The AFR of 30 November quoted the CEO of a Sydney stock trading app maker Jaaims (sic) Technologies, as saying “*Many investors are inexperienced traders and three in four new online traders lose their entire investment capital when they begin trading*”.



7.2 A good word

On 26 November BetaShares' Chief Economist, David Bassanese's weekly "[Bite](#)" described the theme of the past week as "unresolved", identifying finalisation of Brexit, US fiscal stimulus and Covid19 as meeting that description. He noted the low USA political appetite for further Covid restrictions, suggesting a correlation with reduced death and hospitalisation rates.

7.3 Aged care submission



Lauren Broomham of retirement and aged care e-zine the [Source](#) is the only journalist to have attended all sittings of the Aged Care Royal Commission. She provided this insight on 27 October: "*the message from the Counsel Assisting – and their 475-pages of submissions – was clear: 'big box residential care is out – and care at home and in smaller, home-like accommodation is in.'*"

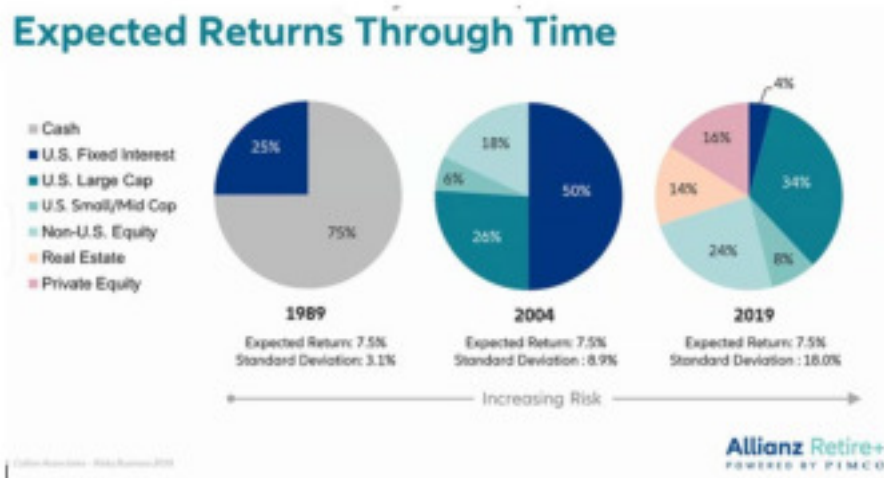
Pictured is Senior Counsel Assisting Peter Rozen QC.

7.4 Small investors miss out

Chairman of funds manager Wilson Asset Management, Geoff Wilson reportedly told a SMSF audience that about half of the money raised over the past 10 years had been through placement to institutions, which are unavailable to small shareholders and don't require a prospectus, and mostly at a discount. He said "*Since April, there has been \$30 million raised, with a significant amount through placements at an average discount of 17 per cent to pre-issue price. So, the opportunity cost for small investors in that is about \$6 million,*".

7.5 Risk increases

Life insurer Allianz displayed this chart showing the increase in volatility of the portfolio needed to achieve a 7.5% annual return in a Webinar on 27 October. Note that in calendar 1989, CPI inflation was 7.8% so 7.5% was a negative real return.



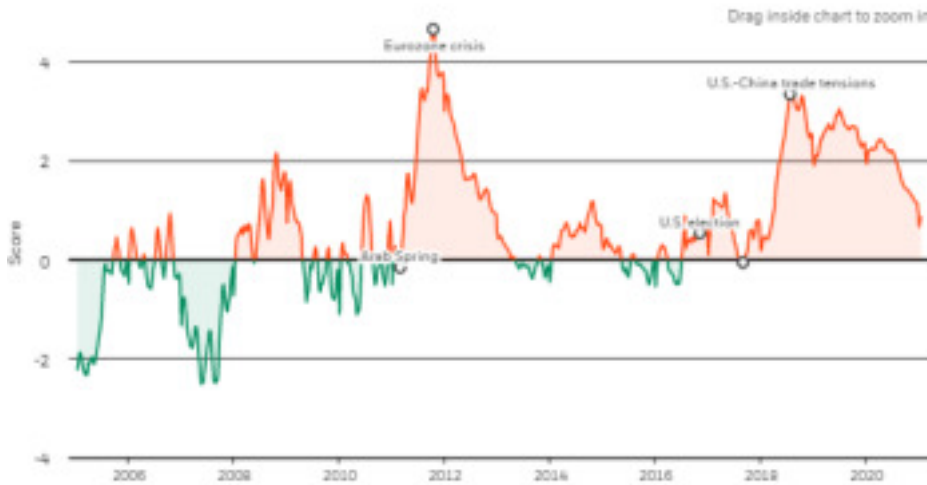
The three standard deviation numbers in the extract are 3.1%, 8.9% and 18.0%.



7.5.1 Geopolitical risk

Investment house [BlackRock](#) quarterly quantifies geopolitical risk and its likely effect on world share markets. The following chart shows the history of the index. Unfortunately, Blackrock seems to no longer publish the chart of likelihood and consequences of individual risks

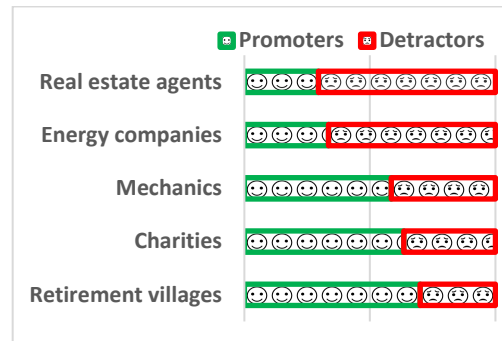
BlackRock Geopolitical Risk Indicator



Source: BlackRock Investment Institute. See Andep’s June [2018 Quarter in Review](#) for an explanation of this chart.

8 Products and producers

E-zine the Weekly Source [published](#) on 8 December an article indicating that the retirement village industry had a net promoters score (Proportion likely to recommend less proportion not likely to recommend) of 40 up from 25 in the aftermath of the Four Corners campaign against the industry and the highest of any sector. This information was part of a wider survey that included the information to the right.



The same e-zine [reported](#) on 22 October that 40% of aged care facilities that had been audited since June 2019 were found to be non compliant. In the June 2020 quarter this had fallen to 6%. In the first half of 2020, 76% of the “sanctioned” facilities (more serious than



“noncompliant”) were “not for profits”. Almost half of the sanctioned facilities were part of a group which operated 20 or more facilities.

8.1 Contracts for difference consumer protection

On 23 October the Australian Securities and Investments Commission (ASIC) issued 20/254MR. The accompanying press release included “*ASIC has made a product intervention order imposing conditions on the issue and distribution of contracts for difference (CFDs) to retail clients.*”

“ASIC’s order strengthens consumer protections by reducing CFD leverage available to retail clients and by targeting CFD product features and sales practices that amplify retail clients’ CFD losses. It also brings Australian practice into line with protections in force in comparable markets elsewhere.”

8.1.1 Cyber attack destroys fund

The AFR of 23 November reported the closure of hedge fund manager Levitas Capital after it lost clients following its computers being penetrated by hackers. The computers of Levitas, which ironically trades using algorithms, were used to send fake emails to the trustee of its fund instructing transfers of funds. Yet to be resolved is who is responsible and who will compensate unit holders for the fraud.

8.2 AMP end game?

On 30 October AMP Ltd issued a statement reading “*AMP today confirms that it has received an indicative, non-binding, conditional proposal from Ares Management Corporation, a US-based company, to acquire 100 per cent of the shares in AMP Limited by way of scheme of arrangement.*” Is this the beginning of the end?

9 Politics

9.1 Elections

Elections held or concluded in the quarter included the following.

Jurisdiction	Election	Result
Australian Capital Territory	Territory	ALP / Green coalition gained 2 seats (4 Green less 2 ALP) to maintain government with 10 ALP and 6 Green seats
British Columbia	General	Incumbent minority social democratic New Democratic Party secured a majority of seats on a 7.42% swing



Jurisdiction	Election	Result
Czech Republic	One third Senate	The ruling populist oligarch dominated party lost one of the two Senate seats it held amongst the 27 seats contested
Georgia	Parliamentary	Opposition boycott left the oligarch dominated Georgian Dream party with a reduced majority
Lithuania	Parliamentary	Centre right Homeland Union achieved a majority displacing the plurality of the green conservative and agrarian Farmers and Greens
Myanmar	House of Representatives	Aung San Suu Kyi's National League for Democracy retained its hold on the majority with 258 of 440 seats. The next largest "party", with 110 seats, is "Military appointees"
New Brunswick	General	Incumbent minority centre right Progressive Conservative Party secured a majority of seats on a 7.45% swing
New Zealand	General	Majority centre left Labour Party gained a further 19 seats, Greens gained 2 seats to hold 10 of 61 in the single house. Winston Peters exited parliament (which he entered in 1978) with populist nationalist NZ First losing its entire nine seats
Queensland	State	Palaszczuk ALP government increased its majority gaining 4 seats with a 1.9% 2PP swing
Romania	Parliamentary	The Social Democrat led coalition was replaced by a coalition of the National Liberal Party (centre right), USR-PLUS (liberal progressive), and the Democratic Union of Hungarians in Romania (Hungarian minority)
Saskatchewan	General	Centre right Saskatchewan Party maintained majority government despite losing 2 seats in a 1.86% swing



Jurisdiction	Election	Result
United States of America	Presidential, Senate and Representatives	Democrats lost seats in the lower house, gained Senate seats to secure a casting vote by the Vice President and gained the Presidency and Vice Presidency
Venezuela	Parliamentary	The United Socialist Party won 69% of the vote in an election boycotted by the opposition parties

9.2 Prescient commentary

Contemplating the chaos of the USA political system, one is reminded of an article in the Spectator, which included *“There cannot be a greater judgement befall a country than such a dreadful spirit of division that rends a government into two distinct people and makes them greater strangers to one another than if they were different nations... a furious party spirit which rages in its full violence .. fills a nation with spleen and rancour and extinguishes all the seeds of good nature compassion and humanity”*.

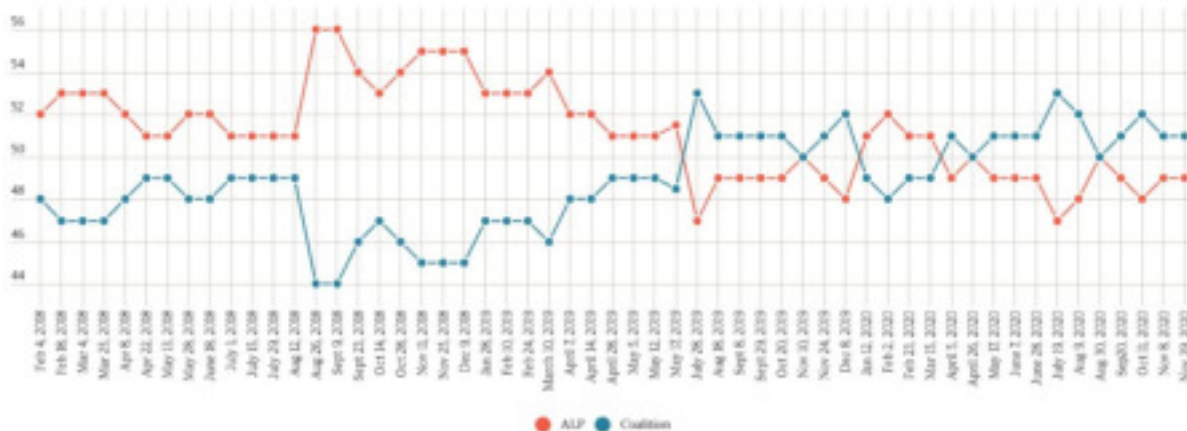
This comment predated the founding of the USA – indeed the birth of its founder, but rings true now. Source: The History of Britain Volume 2 - Simon Schama

9.3 Opinion poll

The following chart shows two party preferred voting indications since February 2018 published by the [Australian newspaper](#).



Preference flows based on recent federal and state elections



9.4 Leadership moves?

As we move into what might be an election year (a simultaneous half Senate and Representative election must be between 7 August 2021 and 31 May 2022), leadership rumblings are emerging in the Labor and National parties. Party rules protect incumbents against votes to remove them, but not from resigning if persuaded to do so by sufficient members.

10 Courts and regulation

10.1 Environmental lawfare

A member of industry superannuation fund, REST, has sued the fund arguing that it has breached its fiduciary duty by failing to consider climate change risk. The case settled out of court with the fund promising “to take further steps to ensure that investment managers take active steps to consider, measure and manage financial risks posed by climate change and other relevant ESG risks.”

10.2 FASEA gone

The short lived and controversial Financial Advisers Standards and Ethics Authority will have its functions divided between ASIC and the Federal Treasury under proposals announced on 10 December.

10.3 ANZ Cartel

A year after the behavior of banks in connection with an ANZ capital raising went before a magistrate, (see December 2019 Quarter in Review) banks and executives were committed for criminal trial in the Federal Court on 8 December.



10.4 Mayfair

Following a mentions in several quarters in review, Mayfair remains in the news with Slater and Gordon [launching a class action](#) against the Trustee of the IPO Wealth Fund.

10.5 Poachers and gamekeepers

The much publicised head of prosecutions of the Australian Securities and Investments Commission (ASIC) resigned on 26 October following revelations that ASIC paid \$70,00 rental costs for him. This occurred within a week of revelations of the Australia Post gold watches incident and ASIC's boss James Shipton benefiting from the taxpayer paying \$118,000 for his tax advice.

Around the same time Helen Coonan, who chairs both Crown Resorts and the Australian Financial Complaints Authority, appeared before a NSW parliamentary investigation probing, amongst other things, Crown's links to money laundering and organised crime. One despairs.

10.6 Gigs - contractor or casual?

Before the Fair Work Commission in October, counsel for Diego Franco, a Deliveroo rider, claimed that he was a casual worker, not a contractor. Counsel argued he was thus entitled to unfair dismissal process. The case has ramifications for a range of industries.

10.7 Industry super fund insider trading allegations

Not before the Courts yet but this story may end in Court. Serial industry superannuation fund critic, Tim Wilson MHR, may have landed a blow against the industry securing admissions that one executive and three of such funds had made personal transactions in the period between the covid market fall and publication of revaluations of unlisted assets. Journalist Lachlan Maddock of e-zine Investor Daily reported ASIC will look into the matter.

Mr Wilson also incurred the ire of the opposition for his tweet "*Aiming to buy a first home and struggling to save the deposit? For 4 more days you may be able to access your super savings now to bring a purchase forward: earlier & cheaper.*"

Former Treasurer Chris Bowen tweeted in reply "*1. Mr Wilson is giving financial advice here.*

Unless he is a trained and licensed financial adviser he has some explaining to do," and "2. The rules state early access is for hardship, not a house deposit. He has advised people to act in breach of the rules."



10.8 Pandemic decision

As reported in the last Quarter in Review, a UK Court held that an insurer was liable under a “Notifiable diseases business interruption” policy for losses caused by the pandemic shutdowns, but not on two other policies. The story continues with a NSW Court of Appeal judgment noting the exclusions referring to the Quarantine Act are obsolete as the Act was replaced by the Biosecurity Act 2015. The judgement prompted insurer QBE to halt trading of its shares. Further test cases are on foot.

11 Andep news

11.1 Choice of charging basis

We have changed our “Client appreciation” form so that potential clients choose between fixed fee and timed charged initial consultations. This removes doubt as to responsibility for and the amount of our fees.

12 Plaudits

12.1 Our clients

We are grateful for the support of our clients through 2020 and for those who have referred their friends, families and colleagues to us.

13 Disclaimer

This publication does not constitute personal financial advice. Before acting on any suggestion, explicit or implicit in this publication, please contact your Andep adviser.