

## A word from the Directors: 2016 - the year of change

2016 has been a year of change; political, economical and socially. We've seen the passing of key superannuation legislation, as well as 'unexpected' outcomes in international elections and referendums. Moving forward, 2017 is likely to see more ongoing change, with opportunities for investors arising. We the directors and staff at Venture Financial Advisers have also experienced a year of changes.



In May we were excited to introduce a new service in mortgage and finance solutions under our sister company Endeavor Finance. Local banker Adam Tharle has partnered with us to ensure you have access to the best lending products for your circumstances.

Andrew Morris and Ryan Trickey both completed accreditations from the SMSF Association to become SMSF Specialist Advisors (SSA™). Our Self Managed Superannuation Fund team can now offer specific SMSF strategic advice to clients.

Earlier this year we also asked for your feedback on our business via an emailed survey conducted by independent research firm CoreData. The results were overwhelmingly positive and we thank everyone who participated.

From this survey we will be implementing new initiatives in 2017 including the availability of regular newsletters on our website for both individual and SMSF clients. Additionally, our monthly Market Update will also be available from our website.

Feedback also indicated the changing needs of our clients and their families. We have increased awareness on how we may be able to assist you further, whether it be with aged care advice for parents or debt and insurance advice for your children.

On a personal note, we would like to take this opportunity to publicly thank our amazing staff who continue to support us to support you.

We thank you for your client referrals, support and the privilege of letting us assist you this year.

Merry Christmas to all from Michael, Andrew and Nicola.

This information has been prepared by the Directors of Venture Financial Advisers Authorised representatives of Godfrey Pembroke Ltd GWM Adviser Services Limited ABN 96 002 071 749 AFSL 230692, a National Australia Group Company, 105-153 Miller Street, North Sydney NSW 2060 Australia.



## Advice to benefit YOU

Endeavor Finance is here to service all of your borrowing needs. We will do the ground work and shopping for you, whether it be for home loans, business loans or personal and car loans.

Endeavor are accredited with over 25 financial institutions, which means we have access to a huge variety of products to help you find the right solution for your unique circumstance.

Whether you're looking to get a new loan, or want to review your current position, get in touch with the team for a no obligation appointment to see how they can help you on 03 5434 7690.

# Superannuation reform bill passed

The Senate has passed two superannuation bills, which include the proposed introduction of the \$1.6 million transfer balance cap and changes to concessional contributions.

## Summary of measures

The Treasury Laws Amendment (Fair and Sustainable Superannuation) Bill 2016 contains the measures originally announced in the 2016/17 Federal Budget with subsequent amendments. The Bill was passed as introduced to Parliament without any changes. The majority of measures commence from 1 July 2017.

## The key measures include:

- ▶ Introducing a \$1.6 million transfer balance cap which limits the amount that can be transferred to the retirement phase, where earnings are tax-free. This measure will also apply to death benefit income streams.
- ▶ Reducing the concessional contributions cap to \$25,000 for all taxpayers.
- ▶ Introducing a concessional contributions catch-up regime for those with total super balances of less than \$500,000 from 1 July 2018.
- ▶ Allowing a deduction for personal contributions without testing the proportion of employment income received (the 10% test).
- ▶ Reducing the non-concessional contribution cap to \$100,000 pa (or \$300,000 under the bring forward provisions), limiting the ability to make NCCs to people who have a total superannuation balance of less than \$1.6 million and introducing transitional rules for those who triggered the bring forward rule prior to 1 July 2017.
- ▶ Introducing a low income superannuation tax offset to replace the low income superannuation contribution (which will be abolished from 1 July 2017).
- ▶ Increasing the annual income threshold from \$10,800 to \$37,000 for eligibility for the spouse contribution tax offset.
- ▶ Abolishing the anti-detriment payment.
- ▶ Removing tax exempt earnings for transition to retirement income streams.
- ▶ Lowering the income threshold for Division 293 tax to \$250,000.

## Staff News



### Women in leadership

We're very proud of our very own Nicola Chaffe! The first female Director of Venture is now alumna of the Compass Women in Leadership program.

For more information on Compass please visit [www.dattnergrant.com.au/Compass](http://www.dattnergrant.com.au/Compass)

## Say hello to our new administration team members



Sue joined the Venture team in September this year and brings many years of banking experience with her.

Sue has spent 30 years in the financial services industry where she worked in retail and business banking.

Sue is assisting Endeavor Finance clients achieve their financial goals, by assisting with all of the behind the scenes administration work.

We also welcomed Ann to our administration team in September.

Prior to joining the team, Ann had spent many years with Commonwealth Bank and RACV as well as some years in the health industry, before returning to finance with us.

We welcome them both to the team and look forward to having their support ongoing in 2017.



# Important changes to the age pension in 2017

From January 2017, there are some important age pension changes that could impact your benefits and warrant some action.

## What's changing?

The lower asset threshold that determines your eligibility for the full age pension will increase.

This threshold varies, depending on your relationship status and whether or not you own a home. It's also indexed periodically by the Government. To find the current thresholds visit [humanservices.gov.au](http://humanservices.gov.au). In addition, the age pension payable will be reduced by \$3 per fortnight, for every \$1,000 you hold in assets above this threshold. Therefore by reducing your assessed Centrelink assets by \$10,000 may increase Centrelink entitlements by \$780 per year (a 7.8% return). The current reduction amount, known as the 'taper rate', is \$1.50 per \$1,000.



## How will these changes impact your entitlements?

Your age pension entitlements are assessed under both an income and assets test. The impact of these assets test changes on your entitlement to age pension will depend on a range of factors. If we look at the current and new asset test thresholds for a homeowner couple for example, the lower threshold will increase from \$296,500 to \$375,000 on 1 January 2017. This means more people will be eligible to receive a full pension under the asset test assessment. However the income test may override the asset test (depending on the type of assets and income) and reduce their pension payment. In contrast, the asset test upper threshold after which no pension is payable will reduce from \$1,178,500 to \$816,000 for a homeowner couple on 1 January 2017, resulting in many pensioners losing their entitlements altogether.

## What to do next?

The thresholds in the above example apply exclusively to home-owning couples and the dollar values would be different if you are single and/or not a home-owner. The best way to determine how you may be affected is to make an appointment with your adviser to review your financial position and determine if any strategies can be implemented to improve your entitlement to the pension going forward. The earlier you do this, the more you may be able to take advantage of any suitable strategies.

Strategies you may benefit from could include:

- ▶ improving or upgrading your home
- ▶ review of the value of your non-financial Centrelink assets such as your motor vehicle
- ▶ pre-paying holidays and other expenses
- ▶ investing in funeral bonds or pre-paying your funeral expenses, and
- ▶ gifting money within the permitted limits to relatives or others.

But great care should be taken when considering strategies that could dramatically lower your assessable assets, as they may be short-sighted. For example, if the income test deeming rates (which are at historically low levels) were to rise significantly, the benefits of reducing your assessable assets, could be reduced considerably.

To find out how the changes could impact you and discuss strategies that may assist you please do not hesitate to contact us.

## Warning on unsolicited Centrelink calls

The Australian Competition and Consumer Commission (ACCC) is warning people to hang up on malicious callers pretending to be from Centrelink or the Department of Human Services. The fake callers usually claim you are eligible for an increase in your pension or benefits, and must visit Canberra to fill out a form or pay a fee to have the form sent via mail. The caller may also threaten you will not receive further benefits until the form has been filled out. The ACCC said its Scamwatch service had received more than 2,200 reports of the scam in 2016, with more than \$27,000 reported lost.

The Department of Human Services will never ask you to pay money in order to receive a payment. To see the latest warnings visit: <https://www.staysmartonline.gov.au/>



Australian  
Competition &  
Consumer  
Commission

## Breathing for Macie

Earlier this year we were saddened to hear the news that Danny's granddaughter had been diagnosed with Cystic Fibrosis (CF).

Little Macie was struggling to gain weight and had a nasty cough that she couldn't shake. Christie, Macie's mother, knew something wasn't quite right. When she was five weeks old they received a call from their GP that confirmed Macie had CF.

Knowing little about the disease and what they had in store for them, Christie decided to put their efforts into raising awareness for the condition. The family hope to not only raise awareness, but contribute as much as they can to finding a cure for the disease within Macie's lifetime.

Life expectancy today for someone with CF is 37 years old. On a regular day, Macie's routine includes two 30 minute sessions of physiotherapy (tapping to her chest and side), regular antibiotics, vitamins, reflux medication and enzymes.

In October the family had a team in the Great Strides Run/Walk for Cystic Fibrosis in Bendigo. Together Venture and AFS & Associates have raised over \$1,000 to go towards the fight against Cystic Fibrosis. The Breathe for Macie team had close to 100 participants and raised over \$9,000.



## Fun Run winners four years running

The annual Bendigo Bank Fun Run was held in October with over 2,000 participants heading along. The event raised almost \$120,000 to fund equipment for the new Bendigo hospital.

For the fourth year running, the AFS/Venture team won the Corporate Cup for the most participants in their team, with 129 members!

Venture and AFS see this event as a way to give back to the community and also promote health and well-being within our team. Congratulations to everyone who participated.



We would like to take this opportunity to wish you all a safe and wonderful Christmas and New Year.

Thank you for choosing to work with us in 2016.

**Our office will be closed for the Christmas holidays from midday, Thursday 22 December and will re-open at 8:30am, Tuesday 3 January 2017.**

If you require our assistance during this time, our phone messages will be checked regularly.



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