P 03 5434 7600 | E venture@venturebendigo.com.au

A year in review

As another year draws to a close, it's a great time to reflect on the extraordinary amount of change that has occurred over the last few years. Unique challenges have seemingly arisen at every turn, however, learning to adapt quickly and maintain a flexible mindset is something we can all hold onto in the new year. With the economy now reopening and restrictions easing after reaching COVID-19 vaccination milestones, we look forward to once again meeting our clients face to face in 2022.

The pandemic has shown us, as financial advisers, the true impact of what we do and the value of our work for clients. That is, giving them certainty in uncertain times and discovering what is truly important to them.

In team news, Chris has obtained his Authorised Representative status, congratulations Chris! We also welcomed a new team member in November with Reece Yarwood joining the support team taking on the trainee administration assistant role while completing his Certificate III in Business Administration.

The extended Venture family grew once again with Ryan and his wife Emma having their second child Sophie in September.

Best wishes to everyone over the festive season, stay safe and thank you for the privilege of working with you over the last 12 months.

Wishing you a happy, healthy and safe Christmas and New Year.

Our office will be closed from midday Wednesday 22 December and will re-open Monday 10 January 2022.

We thank you for your support this year and look forward to working with you again in 2022.

COVID-19 relief for SMSFs extended

Due to the ongoing economic impacts of COVID-19 on large parts of Australia, the Australian Taxation Office (ATO) has announced the extension of various COVID-19 relief measures until the end of the 2021-22 financial year for trustees of Self Managed Superannuation Funds (SMSFs).

SMSF residency test

If a trustee or director is stranded overseas due to COVID-19, causing them to be out of Australia for more than two years, the ATO will not apply compliance resources to that aspect of the SMSF residency condition.

Rental relief

If an SMSF or a related party has continued to provide rental relief based on the current market conditions, provided the arrangement is properly documented the ATO, the ATO will provide relief in the form of not taking any compliance action against the fund.

Loan repayment relief

For loan repayment relief provided by an SMSF to a related or unrelated party due to the financial impacts of COVID-19, where the relief is offered on commercial terms and the changes to the loan agreement are properly documented, the ATO will provide relief on similar terms as the interim rental relief. This will also apply to limited recourse borrowing arrangements (LRBAs).

In-house assets

Where an SMSF exceeds the 5% in-house asset threshold at 30 June 2021 due to the financial impacts of COVID-19, trustees must still prepare a written plan to reduce the market value of the fund's in-house assets to below 5% by 30 June 2022. However, the ATO will not take action where the plan has not been executed by the due date as a result of the market not having recovered.

PAYG variations

The ATO will not apply penalties or interest for excessive variations of PAYG instalments during the 2021–2022 income year, provided that the taxpayer has taken reasonable care to estimate their end-of-year tax.

Audits

The ATO has extended its existing COVID-19 relief in the Addendum to the Auditor/actuary contravention report (ACR). The ACR relief for 2021–2022 will apply for rental relief, loan repayment relief (including for LRBAs), and in-house assets.

If you're a trustee of an SMSF and you or your fund's members have been affected by COVID-19, we can help you work out the potential tax implications and relief available, and put the proper documentation in place. Call us on 03 5434 7600.

Director ID requirement has arrived

All directors (including alternate directors) are required to apply for a Director Identification Number (DIN). A DIN is a unique 15 digit identifier that will stay with directors forever.

The DIN regime was introduced to prevent the use of false director identities and phoenix activity. Any conduct that undermines the DIN requirement will be subject to civil and criminal penalties. This includes deliberately providing false identity information, intentionally providing a false DIN or intentionally applying for multiple DINs.

Directors must apply by:

Act	Appointment date	Date you must apply
Corporations Act 2001	Before 1 November 2021	By 30 November 2022
	Between 1 November 2021 and 4 April 2022	Within 28 days of appointment
	From 5 April 2022	Before appointment
Corporations (Aboriginal and Torres Strait Islander) Act 2006	Before 1 November 2022	By 30 November 2023
	From 1 November 2022	Before appointment

Applying for a DIN is a two step process:

1. Set up a myGovID via the app
2. Apply for the DIN via the Australian Business Registry Services (ABRS) website.

Click **here** for more information on the DIN regime or for assistance applying contact the AFS & Associates Corporate Secretarial team at **corpsec@afsbendigo.com.au**

Australia's ageing population – what does it mean for retirement?

By 2061, the number of Australians aged 65 and above is set to double, representing almost ¼ of the total population. The growth rate is even higher among the 85 and older group, predicted to triple to 5% of the population – up from 2% in 2020.

Here are five takeaways for Australians preparing for retirement:

1. More people will retire later in life

While the ageing population is expected to lower the overall workforce participation rate, there will likely be an increase in the number of older people who stay in the workforce. This trend reflects increased life expectancies, improved health at an older age, and shifting social attitudes towards older workers.

Furthermore, an increase in part-time and less physically demanding jobs will make it easier for older Australians to gradually ease into retirement.

2. Aged care spending is set to rise

The increase in Australia's older population will result in greater demand for aged care services over the long term. It's projected that aged care spending will need to nearly double by 2061, taking it to 2.1% of Australia's Gross Domestic Product (GDP).

Furthermore, the move towards a greater supply of home-care packages to support older Australians living independently will create added pressure on aged care budgets. It's important to consider the type of care you might need in the future, to ensure you can cover any gap between government funding and age-care costs.

3. Dementia will become more prevalent

Dementia, Australia's leading second leading cause of death, has a direct correlation to age. This means the condition is likely to become more prevalent as life expectancies rise. The impact of this on Australia's aged care system will be have pressing health challenges, as declining cognitive capacity is a major trigger for accessing services.

4. Welfare spending will shrink

The strong boost to health and aged care spending will be partially offset by slower growth in the Age Pension, which is projected to fall from 2.5% to 2.1% of the national GDP in the next 40 years.

Younger generations should not rely on the more generous government benefits their forebears relied on. It's likely they'll be expected to support a greater proportion of their retirement with their own superannuation savings.

5. Economic growth will continue to slow

It's projected that our economy will grow at the slower pace of 2.6% per year until 2061, compared with 3% over the past 40 years.

Many retirees rely on investments outside of superannuation to fund their lifestyles. While the economic recovery is already underway, we'll continue to feel some impact from COVID-19 for years to come.

Planning for retirement? Speak with us to find out more

Everyone's lifestyle and financial goals for retirement are different. So when preparing for your own retirement, your first port-of-call should be your financial adviser. We can help you understand how Australia's shifting demographics might impact your retirement and create tailored strategies around your individual needs and goals.

Source: The Commonwealth of Australia, 2021 Intergenerational Report, June 2021

Lending options available for SMSFs

Despite lending options for Self-Managed Superannuation Funds (SMSFs) being limited for many years due to the reduced appetite from major banks, there are still many SMSF lending options available to assist in wealth creation and retirement planning.

The findings of the Royal Commission into the broader Misconduct in the Banking, Superannuation and Financial Services Industry saw the majority of lenders deem the complex structure and associated compliance onus too high a risk and have since withdrawn themselves from the market, choosing to focus on their core business lending instead. This created some fears that SMSF lending would be coming to an end, therefore restricting the ability of SMSFs to make property investments.

Despite many banks and brokers being unable to assist with SMSF lending, Endeavor can!

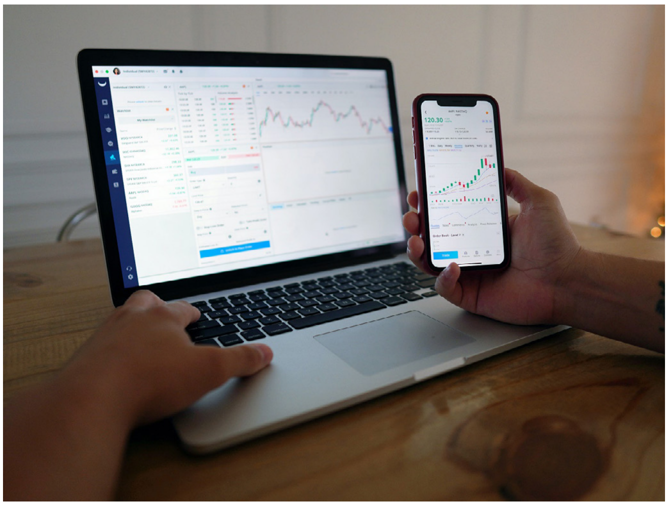
Endeavor can help you secure finance that:

> can be used to invest in either residential or commercial properties
> is eligible for investment in 'owner occupied' commercial property
> has terms of up to 25 years, and in some circumstances up to 30 years
> is competitively priced with set and forget options without annual reviews
> has loan value ratio's up to 80% for residential property and up to 75% for commercial property.

If you would like assistance in refinancing or are considering a purchase in your SMSF please call on 03 5434 7690 or email **endeavor@endeavorbendigo.com.au**

Please note that any taxation and accounting services are not endorsed nor the responsibility of Count Financial Limited.

On the blog



Selecting the best investment for you

There are many types of investment vehicles available to choose from, with managed funds one of the most popular choices in Australia. In our latest website blog we have outlined the four types of investment vehicles and detail the benefits of each investment.

The four types of investments include:

1. Managed funds
2. Direct shares (listed equities)
3. Exchange traded funds
4. Investment bonds.

See our blog for more information at **www.venturebendigo.com.au/news**

Venture Financial Advisers
61 Bull Street, Bendigo

03 5434 7600
venturebendigo.com.au

Member of Count