



THE TRUSTEE

The publication that keeps you informed and in control.

SMSF TRIANGLE OF SUCCESS 2025

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WELCOME

MERRY CHRISTMAS.

We hope you are well and enjoying this special time of year.

On behalf of our SMSF team, thank you for providing all the detail and information that we need to get the work done. They certainly love the work that they complete for you.



**Company
Updates**



**Industry
Insights**



**Success
Strategies**



**Upcoming
Events**

Supervision is looking forward to a well earned break this year. We have completed an amazing 60% of our SMSF tax returns prior to Christmas which has resulted in more refunds paid to you at this time, since our records have begun. Our hardworking team deserve the break, and we want to thank them for their hard work.

This year saw the start of our second successful year as proud part owners of Lowry's Accountants in Darwin and new owners of Self Managed Solutions in Busselton. Our capabilities are continually bolstered by the growth in our team and the experience and skills they bring. To continue our investment in our team we also recently completed a conference in Bali which further developed our team working capabilities.



We don't know what changes 2025 will bring.

We could guess, but that would be very unhelpful. There is always something around the corner that presents as difficult to deal with. Experience tells you, that regardless of what happens, our instincts take over and we find a way to adapt and thrive again. Change and adaption are the only certainty of life.

IN THE NEW YEAR,

Supervision will be writing to you about an exciting online share trading platform offering. This will be our new default account. The features are amazing with a reduced trading cost. We rarely make big changes to our roster of alliance partners, so when we do, you should know it is an extremely compelling offer.

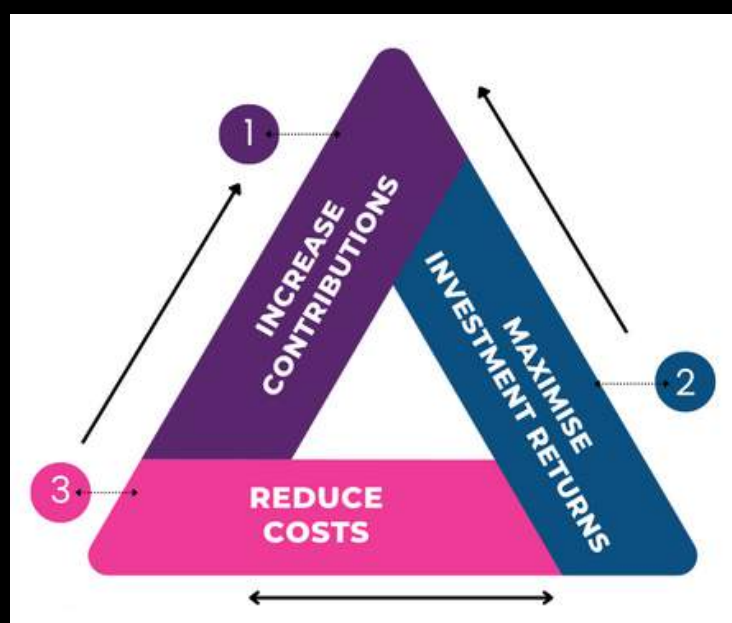
We would also like to remind you that once the New Year commences, the count down to the 30th of June will start. We will be ready to take your meetings after the break. Meeting can be booked from the 20th of January 2025.

So, what can we discuss on the run down to the 30th of June 2025?

THE SMSF TRIANGLE OF SUCCESS

The SMSF triangle of Success has three sides:

Increase Contributions
Maximise Investment Returns
Reduce Costs



We want you to view each of the above sides as equally important. Without one side, your SMSF will grow, but it may not reach the heights that it could. Three sides working together will turbo boost your SMSF and create the conditions for amazing retirement savings.

Contributions are an amazing way to gain personal tax deductions and increase your Superannuation capital base. If your investment returns are consistently good, compound interest on a growing capital base results in rapid growth.

When it comes to cost, we understand that everything has increased in price. We are very conscious of the part that we pay in keeping fees down. We are not expecting to raise our fees in the upcoming year as cost pressures have started to abate.

If you want to know more about the SMSF Triangle of Success, please reach out to your financial adviser or Supervision if you don't have an adviser. We believe that investing your time in these areas will give you the biggest bang for your buck.

We wish you and your family all the best wishes for a safe and enjoyable Christmas, however and whomever you spend it with.

See you in the New Year.



CHRISTOPHER HOMER
Director

CONNECT ANYTIME

Get in touch via the desired contact method below:



SCHEDULE A CALL

We'd love to connect! Send us an email to request a convenient time to answer your inquiry.



GATHER INFORMATION

Feel free to leave a message if you need more information so far. We'd be happy to assist!



FEATURE ARTICLE

SMSF & RETIREMENT



SPENDING STRATEGY



Research has shown that most Australians pass away with 90% of the assets that they started with when they commenced retirement. This is a staggering figure which can be explained by the increasing valuation of most assets and the inability of people to consciously spend their Superannuation and other assets during their lifetime. By 2060, it is projected that one third of all Superannuation payments will be to pay out death benefits.

So what? Is that really a problem?

Superannuation was created to reduce or eliminate the burden that Government pensions had on the country as people lived longer with greater lifestyle expectations. Quite simply the system was required to stop the country going broke.

Superannuation is taxed at lower rates, to create more wealth in future years. This structure is working and for some it is more than meeting its original intended result.



SMSF AND RETIREMENT SPENDING STRATEGY

BALANCING WEALTH GROWTH WITH ENJOYING RETIREMENT

As Superannuation balances get larger and Australians get older, they are less likely to be able to physically spend their money. To compound this, a savings mentality is carried forward from accumulation days promotes thrifty living, reducing spending and increasing savings even higher.

People have been successful growing wealth but not trained to manage spending their wealth to enjoy better lifestyles for themselves.

What is the alternative?

Just as people develop an investment strategy, **why not create a “Spending Strategy”**

This strategy should be designed to do the following things (stolen from Treasury Law: ‘Retirement Income Covenant’ Exposure Draft)

- Maximising expected retirement income;
- Managing expected risks to the sustainability and stability of their expected retirement income; and
- Having flexible access to expected funds during retirement.



BUILDING CONFIDENCE IN
RETIREMENT:

FULFILLED LIFESTYLE

To meet the goals above, a 'spending strategy' can include the following checklist:

- Developing and/or offering specific retirement income products;
- Developing specific drawdown patterns that provide higher incomes throughout retirement;
- Providing tools such as expenditure calculators to identify income and capital needs over time;
- Providing factual information about key retirement topics, such as eligibility for the Age Pension, the concept of drawing down capital as a form of income, or the different types of income streams available; and
- Providing guidance to beneficiaries early in accumulation about potential income in retirement through superannuation calculators or retirement estimates.

Let's break down the above strategy into its parts.

Retirement income products like annuities can provide an inflation linked income streams to pensioners in return for capital investment. These products reduce longevity risk where people fear that they will outlive their savings. Innovation in these products is taking place and gaining more traction in larger Superannuation Funds. They can be an option for SMSF trustees, but some planning and work needs to be done to make sure this type of product is right for you.

All SMSF Trustees have to drawdown a minimum percentage each year in pension phase. Why not have a drawdown plan created at retirement?

Achieving Financial Comfort: Turning Retirement Goals into Reality

You can project your major purchases such as;

- How many holidays,
- Cars,
- Caravans,
- House moving or renovations,
- Gifts to family (or others) and
- Aged care requirements, you will have in your lifetime.

With this information you will be able to formulate the parameters for your spending habits with confidence that you can afford to do the things that you want to do. More excitingly, it may even give you the ability to dream of more impressive goals and desires.

Models can analyse the above and create simulations of adequacy and living expenses as the member moves through retirement phase. These models put some perspective around your needs based on statistical evidence. Predictions are just that, but if they are based on data, they will provide more guidance to you than your own thoughts which can be biased.

The perfect comfort zone for retirees in pension phase is when pension requirements are covered by the cash income that is provided by your investments. Many SMSF's have this Utopia in their portfolio's. Whilst this may be excellent for them, there are strategies which may provide the same income results with less risk by requiring a specific percentage of the portfolio is sold each year. Capital reduction is a strategy that can and should be used to meet your retirement needs. Ultimately, Super is there for a reason, so why not use it as intended.

In the lead up to retirement, getting estimations on your starting balances and what those balances will enable you to do, will give you clarity on when you are able to retire.



So how can you go through these steps?

All the above is part of the financial planning process. It can be a once off service or it could be an ongoing engagement which can guide you through the doubts and challenges of life in retirement. We have always believed that receiving this advice is the right way to proceed. Armed with the above, how differently would you view your retirement?

What decisions will you make differently?

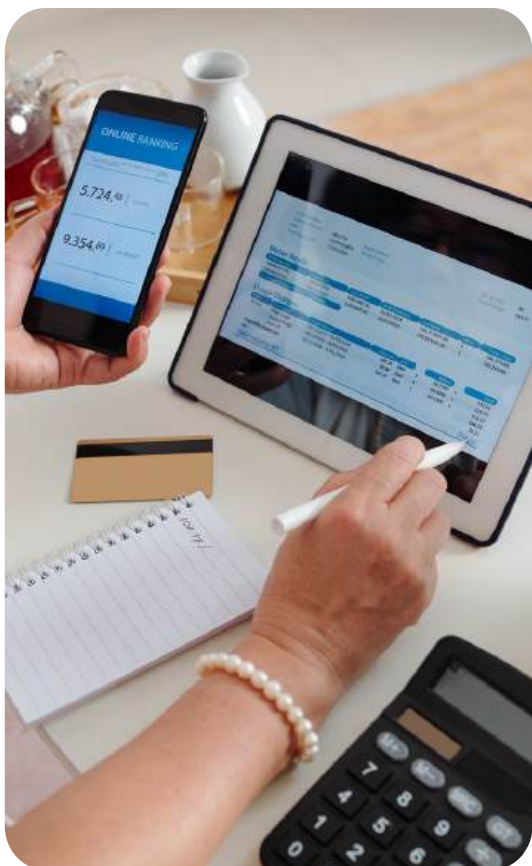


Plan your dream retirement—reach out to us today!



OPTIONS WHEN AN LRBA HAS BEEN REPAID?

Some Trustees are now in the position to fully repay their SMSF loans. So, what should you consider if you are looking to payout your loan? And do you need to transfer the title across?



1. The lender will need to discharge the mortgage.
2. The titles office in the state will need to be notified of the release of the mortgage. (The lender may do this for you, so please check with the lender if they will lodge this documentation with the Titles office for you)
3. A title search after the release of the mortgage will confirm the mortgage has released. The Auditor will need a copy of the title search to confirm the release of the property.
4. Question- Retain the property in the Bare Trust or transfer it to the SMSF?
 - The property can be retained in the Bare Trust if the property is not “improved”. It can be maintained but the fundamental character of the property can’t be changed, so it becomes a different asset.
 - If you are looking to change the character of the property you would need to transfer the property out of the bare trust into the SMSF and use the SMSF’s cash reserves to pay for the changes. Examples of other improvements include: building a house on vacant land, demolishing an existing house and building more dwellings or commercial premises, conversion of residential to commercial.

Need Help?

www.supervision.com.au



5. If you need to transfer the property title to your SMSF, then you will need to engage a solicitor or conveyancer to lodge the paperwork with the titles office in your state. They may provide resolutions between the bare trust and the SMSF. They will also prepare the transfer documents, stamping of the documents, the stamp duty exemption. You may be required to provide a Foreign Resident Capital Gains Withholding Certificate if the property is valued at \$750K. The cost is roughly \$1000/Transfer- but check with the solicitor.

6. Stamp Duty should not be applicable however you may be required to provide documentary evidence that the property was purchased for the same the beneficial owner.

7. No Capital Gains Tax is required to be paid- this is not a sale.

8. If any agreements are in the name of the Bare Trust, the new ownership will need to be reflected.

9. If you transfer the property to the Bare Trust, you can wind up the company that you have used as the Trustee for the Bare Trust. If you want to create another Bare Trust for another property purchase, you can use the same company to act as the Trustee. This will save you around \$1,000 to recycle the existing company.



CALL US

1300 693 863

If you would like to discuss this, please call Supervision today.



Get Started, Live Better!



We're here to help with all your SMSF, tax, and financial queries. Reach out to us today—whether it's a quick question or a detailed discussion, our expert team is ready to assist.

[Schedule A Call](#)[Gather Information](#)

Quick Stats:

✓ Total SMSF assets are over \$1 Trillion for the first time.

✓ 1,151,619 SMSF Members

✓ Top Asset Types are:

- Listed Shares (28%)
- Cash & Term Deposits (16%)

✓ 53% of SMSF members are male and 47% are female.

✓ 85% of SMSF members are 45 years or older.





OBJECTIVE OF SUPERANNUATION

The current Government has passed legislation in the parliament to define the objective of Superannuation. The following is the definition that was passed:

“To preserve savings to deliver income for a dignified retirement, alongside government support, in an equitable and sustainable way.”

You may be thinking, why would the government bother to pass legislation to define a compulsory scheme that has been with us since 1992?

The answer is simple, defining the objective of Superannuation blocks future Governments from making laws that impact the current Governments view of Superannuation. Unless they themselves change the objective of Superannuation.

When any changes are introduced to parliament in the future, they will need to meet the definition above to be lawful.

This is a significant change and may have lasting impacts on the way that Superannuation legislation changes are framed into the future.

We believe that defining the objective of any process or system is extremely important. It creates accountability when “new ideas” or “the next squeaky wheel” needs to be responded to. Superannuation can never be viewed as a pool of funds for “projects” or “balancing the budget”. The intention of this legislation should be considered as the right move, especially when Governments look to Super to fix problems that have nothing to do with Superannuation.

Debates will rage on what is dignified, equitable and sustainable, but this a positive step after 32 years of the Superannuation System.

[READ MORE](#) ↓



Division 293 Taxation

LEARN HOW DIVISION 293 TAX AFFECTS HIGH-INCOME EARNERS AND SUPER CONTRIBUTIONS.

If you earn over \$250,000 per year (including Superannuation Contributions), you will be required to pay additional taxation. The amount is determined by how much you earn over \$250K and how much you have contributed to Superannuation.

Here is the example of Division 293 Tax Calculation (ATO Website):

Jan's Division 293 income is \$240,000 and Division 293 super contributions are \$15,000. This is a total of \$255,000.

Division 293 taxable contributions are the lesser of Division 293 super contributions (\$15,000) or the amount above the \$250,000 threshold (\$5,000).

Jan's Division 293 tax payable is 15% of \$5,000. So, the Division 293 tax payable is \$750.

The ATO will determine how much tax is payable after your personal tax return has been lodged and your SMSF has been lodged detailing your contributions.

A notice will be forwarded to you personally. At that time, you can elect to make the payment for the tax from your personal bank account or you can release the money from Superannuation. You can nominate your Super through your MyGov account.

If you have been sent a Division 293 notification and you require support, please forward the notice to your SMSF accountant. We can't make the payment for you, but we can help you sort it out.



Be the first to know

Stay Updated with the Latest SMSF Insights and Expert Guidance.

JUST THE FACTS WITH SHISH

Hi Everyone,

We're dedicated to make your SMSF compliance and tax return requirements a minor part of your SMSF experience.

Our team is focussed on providing the best experience for you at the highest possible standard, so that you can get on with creating an awesome investment strategy.



Hi, its Shish back again. My role is reviewing your SMSF returns each year, examining financial statements and compliance issues for all clients. Hopefully you enjoy my insights.

Are you reading and paying attention to your Superfund Auditor Management Letter?

Audit Management Letters are an important audit document where auditors raise matters which they believe need to be brought to the superfund trustee's attention.

The most common matters which are raised in management letter are as follows:

Investment Strategy

SMSF Trustee's needs to make sure that there is a current updated investment strategy is in place for the superfund which complies with all aspects of the legislation.

SIS Regulation 4.09(2)b states that a fund's investment strategy should have regard to the composition of the fund's investments including the extent to which they are diverse or involve exposure of the fund's to risks from inadequate diversification. It is not necessary to document the target ranges that the fund seeks to invest for every asset class but as per the ATO, if you choose not to use allocated portions or percentages in your investment strategy, you should ensure material assets are listed in your investment strategy. You should also include the reasons why investing in those assets will achieve your retirement goals.

Trust Deed

SMSF Trustee's needs to review their superfund trust deed and consider if any amendments are required.

The SIS Act is changed regularly which may have an impact on the provisions on your trust deed if it is an old trust deed or trust deed never been updated. Therefore, it is recommended that trustees review their superfund trust deed.

EDITORIAL

COMPREHENSIVE CHECKLIST & EXPERT GUIDANCE



Kickstart Your SMSF Success in 2025

From late January, you will be able to book some time with me or your preferred team member to discuss your SMSF.

We have developed a checklist that covers the major items that an SMSF Trustee will need to consider on an ongoing basis.

It requires that we ask you some questions that will determine the most important items to discuss.

This meeting will be able to help you uncover anything that you were not thinking about or have considered. Whilst you know what is best for you and your SMSF, we see this as value adding by providing some prompts and additional options.

Subscribe To Our Newsletter

Get the latest SMSF insights delivered straight to your inbox, and share them with customers who could use expert guidance!

In the checklist we cover:

• Investment Strategy Documentation

- ☒ ◦ Is an update or confirmation required?
- Do members require liquidity? (Pension Commencements or Changes)
- Is a change to Diversification required?
- Have the members considered that insurance is appropriate?
- Have the members considered Estate Planning issues?
- Are there any assets that need to be specifically analysed for heightened risk?

• Contributions Tax Savings

- ☒ ◦ Personal Income
- Current Tax Rate
- Maximum Concessional Contributions
- Personal Tax Savings
- Overall Tax Savings

• Pension Advice

- ☒ ◦ Minimum Requirements
- Current Capacity

• Estate Planning

- ☒ ◦ Will in place?
- EPOA in place?
- Binding Death Nominations

• Trustee Condition

- Mental & Physical Capacity

• Administrative issues

- ☒ ◦ ESA code being used?
- MyGov & MyID working?
- Directors ID?
- Next of Kin (Beneficiaries) aware of the SMSF?

• Property Related

- ☒ ◦ Lease Review – Rental Terms
- Valuation Required?
- Loan Refinancing?

Additional tax strategies for maximising contributions, small business owners, investment property owners, pensions, employee benefits, SMSF tax reduction.

So, if you haven't been keeping up to date with the above items, let Supervision help you organise for the year and the years ahead. We will not be providing any financial advice and if we identify any issue that require financial planning advice, it will go back to your financial adviser.

Please call the office today to book a meeting.



1300 693 863



Book A Call



New to SMSF?

THE TEAM BEHIND SUPERVISION GROUP

SUPERVISION SMSF

Perth Office

Pina Reid
Client Services Manager

Shishpal Rana
SMSF Manager

Leanne Wise
Client Services Manager

Taylor Reid
Client Services

Christopher Homer
Director of SMSF

Clinton Reid
Managing Director Supervision Group

Clarke Philippines Office

Ronnel Valencia
Senior Accountant

Mark Mendoza
Senior Accountant

Danica Dizon
Senior Accountant

Cyril Tullao
Senior Accountant

BUSINESS SERVICES

Perth Office

Grant Carslake
Senior Accountant

Sarah Bell
Senior Bookkeeper

Cassie Castle
Client Services Manager

Clarke Philippines Office

Joy Sanchez
Senior Bookkeeper

Sheila Enerio
Bookkeeper

Reach out anytime

Get in touch via the desired contact method below:



SCHEDULE A CALL

We'd love to connect! Send us an email to request a convenient time to answer your inquiry.



GATHER INFORMATION

Feel free to leave a message if you need more information so far. We'd be happy to assist!

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