

THE TRUSTEE

The SMSF newsletter that keeps you informed and in control.



INSIDE THIS EDITION

PAGE 02	WELCOME
PAGE 04	FEATURE ARTICLE – Andy Hough & Paul Hodder from Bell Potter
PAGE 05	DIRECTOR ID – Update
PAGE 06	CORPORATE TRUSTEE ANNUAL FEE
PAGE 07	WHAT OUR MONTHLY FEES COVER
PAGE 08	SUPERVISION GROUP – Other Services
PAGE 09	BLOCKCHAIN APPLICATIONS – More Than Just Cryptocurrency
PAGE 11	PAYG CHANGES
PAGE 12	SMSF STATISTICS
PAGE 13	EDITORIAL CONTENT

Welcome

And just like that, we are into February of 2022. We hope your New Year's Resolution is to engage more with your Super and it lasts longer than my resolutions about fitness and diet! Supervision Group is extremely fortunate to have an amazing team of committed professionals providing amazing services. We are extremely excited that 2022 is another year to work with our clients improving their SMSF with a variety of solutions and education.

We have sent out invitations for our next Seminar with Crypto currency and related emerging technologies as the topic. This builds on the back of last year's seminar on the share market. Whilst we don't endorse any specific investments, we need to make the topic valuable and worthwhile for you to attend, which means analysis of both the opportunities and weaknesses of the topic. With some good luck surrounding COVID19, we should be meeting face to face on the 16th of February 2022.

In line with educational seminar series, we will also be providing a property update seminar in March April. This will provide insights into what is occurring in the Australian Property landscape. We hope to provide a quality panel of property professionals who can help with any questions regarding property. Again, we are not advocating buying a property, but along with Listed Shares, Property is a huge market where capital is stored, and profits are made.

If you have not attended any of our Seminars yet because you fear a sales pitch, they are not typical in that



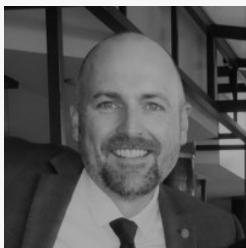
regard. We always want people to take action (even if the outcome is to 'sit tight and assess') because attending a face-to-face presentation may provide the stimulus you need to consider new opportunities. Supervision wants to provide the tools and education you need to live your SMSF dreams, not tell you how to invest.

On a personal level, I wanted to thank my whole team for their efforts for the calendar year just passed. It was another challenging year in many ways. Whilst business has been extremely strong across Australia, the fluidity of all business inputs and outputs was acute. Despite the challenges, the most critical thing for you the "SMSF Trustee", is that Supervision helps resolve any SMSF related issue that arises. The coming months will test the resolve of many people especially in WA, but we will be here to help as always.

We are always willing to improve our standards across the board, so your feedback is always welcomed.

By now you may have begun to interact with our newest team members, **Shishpal Rana & Leanne Wise**. Both team members have used their experience and hard work to help you since joining last year. They are SMSF professionals whom you will get to know and rely on.

We hope that you join us soon for a Seminar or a face-to-face meeting to discuss your SMSF with us. There are many more important things than completing tax returns. Have a great month or two ahead and we hope you have great health and wellbeing.



Christopher Homer
Director

Feature Article – Andy Hough & Paul Hodder from Bell Potter

You may have heard the phrase "Metaverse" bounded around recently. It's certainly a term that's trending and it offers some interesting opportunities for savvy investors.

So, what is the Metaverse?

The metaverse is an online virtual world which incorporates augmented reality, virtual reality, 3D holographic avatars, video and other means of communication. Also referred to as Web 3.0 many of the large technology companies believe the Metaverse will be a **new economy larger than our current economy.**

The Metaverse may be more of a virtual reality than you think. In fact, this hyper-real alternative world is rapidly becoming a commercial reality.

The Metaverse will offer a way for people to coexist in one environment while being physically separated. As an example, you could be virtually sitting next to your best mate who lives on a different continent, speaking to each other as if you were a metre apart and watching your favourite sports team in another country within a virtual stadium.

With speculation that the metaverse will be an enormous growth industry you'd expect the big technology companies to be exploring this opportunity. So what moves are the big technology players making?

- Recently, Microsoft acquired Activision Blizzard in a \$96b deal to increase their



exposure to the gaming sector and position themselves for the Metaverse.

- Facebook has recently renamed to Meta and are betting their future on the Metaverse. Meta has been working on an AR helmet called Meta 2 and are looking to ship Meta 2 developer kits soon.

- Nvidia, the large chip maker, has developed a platform called Omniverse which is a simulation and collaboration platform that builds physically realistic virtual worlds aka digital twins and connects other digital platforms and will be partly used to build the Metaverse. In a recent earnings call, founder of Nvidia, Jensen Huang stated the demand for digital avatars could reach tens of millions with a cost of approximately \$1,000 per month, creating a revenue opportunity of hundreds of billions.

Investor interest in the Metaverse is gaining serious traction. In June 2021 an Exchange Traded Fund called "META" was listed on the US stock exchange to allow investors to buy into a basket of the biggest and most active companies involved in the Metaverse. This is an exciting space that we believe investors should pay attention to!

Director ID – Update

Are you having trouble with ID Verification?

Call 13 62 50

If you have had trouble verifying your identification with your passport (international or otherwise) there is another way to verify your ID without the phone app. If you are stuck trying to achieve a medium or strong ID you can call the ABRS directly to verify your Identification.

Warning, this method may take 20-30 minutes on the phone, and you need to have all of your information handy. The phone number is **13 62 50** and the best time for Western Australians to call is between 4pm & 6pm on weekdays. All other states you may want to call earlier.

Before calling the ABRS for assistance, be prepared to provide your personal information. You may be required to provide details of your last tax assessment, personal tax file number and driver's licence.

We still believe that using the **MyGovID app** is the quickest way to complete this task, but like all IT based systems, there are a few bugs in the system, and you may be getting frustrated. We also have some clients that do not want to either update their phones or upload a

government apps for privacy reasons. We won't impose our views on privacy concerns, but you can download the app, complete the task, and then delete it.

If you want to use the telephone option instead of the phone app, we encourage you to call very soon before the ABRS workers are bombarded with late comers. At the moment the ABRS team seem willing to help, give them 3 months and a million frustrated calls and you may not be greeted with a smile when you call.

You may be required to provide your last notice of taxation assessment details and other documentation.

Finally, there is a paper form that can be filled out and sent into the ATO with certified documentation attached. The drawback of this method is the fact that all verification documents need to be certified by an official JP or Police officer. Unfortunately, Supervision will not be able to assist with the certification of documents. We also will expect that if you use this method any errors will prolong the process with paper documents bouncing around the country in the post.

Corporate Trustee Annual Fee

We would like to remind you that if you have a company acting as Trustee of your SMSF that on February the 1st 2022, your annual SMSF Corporate Secretarial fee will be invoiced. This fee covers the following services.

- Supervision acting as your ASIC Agent
- Request for payments and payment reminders including email and text notifications
- Minutes and Solvency Resolutions
- Updates to ASIC Registry upon demand

The Governments imposed Directors ID requirements have increased the level of support that our clients require. The above fee is important in allowing us the extra resource to give you all support during this time. Directors ID requirements has added to the workload that Supervision already undertakes.



What Our Monthly Fees Cover

Just to remind everyone what your monthly fees cover and what is available to you.

If you need information about our SMSF service, please refer to
www.supervision.com.au

All Packages Include:

Supervision completes all of the below regardless of your chosen package. Each year Supervision will complete all of your compliance requirements for a simple monthly fee. You don't need anyone else to lodge returns or complete Audits, everything is included by Supervision.

Services:

- Audit
- Tax Return
- Daily Administration
- 24/7 Online Portfolio Access
- Portfolio Reports
- Electronic Signing of Year-End Documents
- Annual SMSF Review
- Online Documents
- Portal: Portfolio & Fast Links to Investments
- Email Support
- Learning Resources
- Telephone Support
- Access to Investment Strategy Builder & Other Online Forms
- Access to Financial Advisor (Advice is not included)

Platform & Account Services:

- Bank Account Establishment
- Term Deposit Establishment
- Share Trading Platform

What is not covered in our package fees:

- Corporate Secretarial Services (Corporate Trustees) February 1 each year
- GST Registration or BAS Completion (GST is not compulsory or worthwhile in many circumstances)
- Audit contravention reports
- Financial Advice Fees
- Pension Commencements
- Winding Up
- Adding/Removing Members
- Any uncompleted prior year Tax Returns when transferring
- ATO Supervisory Levy
- Actuarial Fees
- Any Investment, brokerage or Legal fees associated with purchasing and selling Investments
- Mailbox Services

If you need assistance with any matters involving your fees, please call our offices to speak to any of the SMSF team.

Supervision Group – Other Services

Supervision Group is an SMSF specialist, however, that is not all that we do. Supervision has a team of **professional bookkeepers, accountants and estate planners/paralegals** that can fill your total accounting requirements. If you are happy with your current accountant/bookkeeper, we suggest that you stay with them, but if you are not happy, we can help you.



Blockchain Applications – More Than Just Cryptocurrency

Crypto Currency is just one of the many technologies based on the Block Chain. The Block Chain is a way to digitally confirm a digital ledger independently of a centralised organisation or database. As the ledger is distributed to multiple verification points, the history of ownership of data is confirmed, and ownership can transfer instantaneously.

Blockchain technology refers to a method of verification rather than any one computer program or company software.

The technology has the power to transform, and shift control from traditional actors such as Governments & Banks.



“Similarly, blockchain could dramatically reduce the cost of transactions. It has the potential to become the system of record for all transactions. If that happens, the economy will once again undergo a radical shift, as new, blockchain-based sources of influence and control emerge.”

“For example, a typical stock transaction can be executed within microseconds, often without human intervention. However, the settlement—the ownership transfer of the stock—can take as long as a week. That’s because the parties have no access to each other’s ledgers and can’t automatically verify that the assets are in fact owned and can be transferred. Instead a series of intermediaries act as guarantors of assets as the record of the transaction traverses organizations and the ledgers are individually updated.”

"In a blockchain system, the ledger is replicated in a large number of identical databases, each hosted and maintained by an interested party. When changes are entered in one copy, all the other copies are simultaneously updated. So as transactions occur, records of the value and assets exchanged are permanently entered in all ledgers. There is no need for third-party intermediaries to verify or transfer ownership. If a stock transaction took place on a blockchain-based system, it would be settled within seconds, securely and verifiably."

Harvard Business Review

<https://hbr.org/2017/01/the-truth-about-blockchain>

Here are a few applications for block chain technologies.

- NFT Marketplaces
- Music Royalties
- Cross Border Payments
- Personal Identity Security
- Anti-Money Laundering Tracking System
- Supply Chain and Logistics Monitoring
- Voting Mechanisms
- Advertising Insights
- Original Content Creation
- Crypto Currency Exchanges
- Real Estate Processing Platform



PAYG Changes

Supervision has made changes to the way your **PAYG** requirements will be communicated to you.



In the past, Supervision would receive letters direct from the ATO for all our clients. We would then scan and send it out via email. Clients would routinely tell us they did not receive the emails and as a result did not make their required payments.

That process was not direct nor effective, so we decided to change the process. If your SMSF has a requirement to make a PAYG payment, **you would have received it at your residential address by now**. If you need to vary or reduce the payment amount because it is higher than is possible.

If your required payment seems too high and you want to reduce it, you can reduce the payment to a lower level if your SMSF's tax is going to be radically different from the previous financial year. Beware that if you underestimate your annual tax bill and underpay your Quarterly PAYG, your SMSF can be penalised. To reduce your PAYG please call Supervision today to ask how the amount can be reduced.

SMSF Statistics

June 2021 SMSF data

(SPR_smsfstats@ato.gov.au Self-managed super fund statistical report - June 2021)

- SMSF's are the second largest component of Superannuation in terms of \$value
- Net \$Value = \$789,672 Million
- Largest Asset Class = Listed Shares (\$230,508 Million)
- 597,900 SMSF's
- 1,114,529 members
- Average SMSF Size is \$1,374,887
- 6253 Net Establishments for June 21 Quarter
- Largest Percentage of Members = 2 Members (69.2%)
- Number of SMSF's by State: WA = 9.4%, NSW = 33.4%, Vic = 30.0%, QLD = 17.2%
- Highest Percentage Age Bracket = 75 – 84 years of age (12.6%)
- 74.3% of SMSF Members are between 50 – 84 Years of Age



Editorial Content

**As a fourth generation
Western Australian,
it is normal to feel
isolated from the
problems and
challenges that
face other parts
of Australia and
other Countries.**



The geographic distance between Western Australia and the “rest of the world” has created a mindset over generations that our ‘unique’ lifestyle must be preserved at all costs.

For many, change is to be avoided if it means there are any negative consequences, and we end up “just like Sydney, Melbourne or the Gold Coast”. Perth is not a big country town anymore, but a small-town mentality runs deep in our mindset. Even for first generation West Aussies, it doesn’t take long for this collective mindset to seep in.

The community’s response to COVID19 and how our leaders have dealt with it is a logical extension of the isolation mindset. When faced with options to deal with the pandemic, there are no surprises



in the decisions that have been made. In retrospect, what has occurred during uncertain times was a complete certainty.

An isolation mindset however is not a long-term strategy as it will never be able to deliver future growth and prosperity. It was a growth mindset that has made WA a great place to live with new ideas, influences, and business opportunities. If we keep our minds and borders closed for too long, the rest of the world will move on, leaving us behind. You may think this is overly dramatic, but large WA companies are already moving headquarters to states where their executives and decision makers can move freely and deal with their biggest markets.

Despite all of the appealing rhetoric, WA needs the rest of Australia and the world to make the most out of the abundant resources and people power that it possesses. Calculated risks will need to be taken to open the State back up to the rest of the country and world. People need to come into WA to settle, travel, work, and study to meet Global demand for our products. Up until now we have been protected and well served by our leadership, but the time is rapidly approaching where the same people need to push past our natural inclinations in order to push things forward. A tough job, but it will need to be done.

The Team behind SMSF Services

PERTH OFFICE

Pina Reid
Client Services Manager

Shishpal Rana
Senior SMSF Tax Accountant

Leanne Wise
Client Services Manager

Christopher Homer
Director of SMSF

Clinton Reid
Managing Director

CLARK PHILIPPINES OFFICE

Ronnel Valencia
Senior Accountant

Ariel Tumaliuan
Senior Accountant

The Team behind Business Services

PERTH OFFICE

Leanne Gilmour
Client Services Manager

Tejas Gigi Veliyanoor
Accounting Assistant

Lucas Mierzwa
Senior Bookkeeper

Angela Gaffney
Senior Client Services Manager
Estate Planning

Karen Houghton
Senior Client Services Manager
Bookkeeping

Scott Mitchell
Senior Client Services Manager
Business Services

Dien Osman
Senior Accountant

CLARK PHILIPPINES OFFICE

Joy Sanchez
Senior Bookkeeper

Contact us

South Perth Office
Ground Floor, 76 Mill Point Road, South Perth, WA, 6151

Phone: 1300 693 863 or 08 9367 9655 or 08 9388 6999

Postal Address
PO Box 879, South Perth, WA, 6951

New Enquiries: info@supervision.com.au



Disclaimer: The information in this publication is provided to our clients to update them on SMSF possibilities. It is not a substitute for specific financial advice and is general in nature only. It does not consider your personal circumstances. If you get excited by any of the information provided in this publication, please seek independent financial advice before taking any action that affects your financial wellbeing.