

# AMBLESIDE NEWSLETTER

AUTUMN EDITION  
MARCH 2022

## WHAT'S INCLUDED

- + A word from the principal
- + Market update
- + Client parking
- + Footy tipping
- + Key super changes from 1<sup>st</sup> July
- + Super re-contribution
- + Increases to age pension
- + Autumn recipe



## A WORD FROM THE PRINCIPAL

Welcome to our autumn newsletter. After two years of living with COVID, life seems to be taking a step back to normality. Masks are largely gone, travel is resuming and live music events restarting. We are reading of new COVID variants still emerging however these seem to be increasingly mild.

Speaking of normal, we're looking forward to football and netball resuming soon, with both the local competitions and AFL. This will include bringing the Grand Final back to Melbourne! We are once again running our footy tipping competition and there are more details later in the newsletter.

Unemployment in Australia remains very low at a record 4.2% and we're seeing signs of this all around our town. Workers are needed in nearly every profession, the most obvious being farms, retail and hospitality. This is partly due to borders being closed but also the record amount of stimulus money the government has pumped into the economy.

We're pleased to advise that the age pension rates are increasing from 20<sup>th</sup> March, which will help as we see the prices of everyday goods increasing. There are also a number of key super changes coming into effect from 1<sup>st</sup> July that provide more flexibility in the system. Both of these are covered later in the newsletter.

Nicole is continuing her great work towards becoming a fully qualified financial adviser. As I mentioned in the last newsletter, the qualification process has greatly changed over the last few years and become a lot more rigorous. Nicole has now completed her graduate diploma, completed her national exam and is half way through her professional year. As part of this last step Nicole will sit in on a number of our meetings and observe the advice process. We will soon be sending you all a letter about this process and we will of course request your permission prior to Nicole attending these meetings.

We're well settled in the new office and now the carpark is setup we're pleased to be able to offer a park when you come in for your meeting. Several other businesses use the carpark and we've included a photo of our reserved parks later in the newsletter.

## MARKET UPDATE

The ASX200 index is currently at 7,149, down 6% from the all time high of 7,632 that was set in August last year. That still leaves the market in a strong position and we're watching a number of key world events that will have an impact on where things go from here.

It was two years ago almost to the day that the ASX 200 reached its lowest point as the result of COVID. The Australian market dropped 39% in 33 days, and it was a similar story in other markets around the world.

**Inflation.** In the second half of January this year the market responded to record high inflation in the US, followed by similar reports in Australia. Inflation is simply the increase in prices of everyday goods over time. Around our area we are seeing rises in fuel, groceries, building supplies and cars, just to name a few. The likely response from the Reserve Bank will be to raise interest rates and we expect these to start going up from the end of this year.

**Ukraine.** The markets are right now being dominated by the situation in Ukraine. We are seeing big daily changes, up and down, of over 1%, as the world tries to digest what's going on. There's been unprecedented cooperation between Western governments and private companies to impose sanctions on Russia, which will have the flow on effect of reducing business profitability. What is more concerning is trying to determine Russia's next move in the conflict, which could easily escalate and draw in other countries.

**Dividends.** A record \$36.3 billion in dividends was declared in the February earnings season which was nearly 40 per cent higher than the same period last year. Many companies held back on dividends during the uncertainty of COVID but these are now being paid out. In addition record commodity prices meant that four of the top five dividend-paying companies were from the resources sector, with the other top five company being Commonwealth Bank. This once again highlights how dependent our economy is on the big banks and mining.

# CLIENT CAR PARKING

As part of our new building in Kepler Street we provide courtesy off-street parking for your appointment. Enter via the laneway next to Bohemia Café and park against the fence in one of our signed reserved parks.



# PUBLIC HOLIDAYS

These are the upcoming Public holidays for Victoria. Note that our office will be closed these days.

Good Friday: Friday 15<sup>th</sup> April  
Easter Monday: Monday 18<sup>th</sup> April  
Anzac Day: Monday 25<sup>th</sup> April  
Queens Birthday: Monday 13<sup>th</sup> June

# AMBLESIDE'S FOOTY TIPPING REMINDER

Just a reminder, if you haven't already, please get your footy tips in for our 2022 competition. The first game starts on Wednesday the 16<sup>th</sup> of March. Give Ros a call at the office if you need help getting your tips in before the game starts!

Prizes up for grabs include....

Winner: \$200 voucher of your choice from either Bohemia Café, 2Tarts or Moss Interiors.

Runner up: \$100 voucher of your choice from either Bohemia Café, 2Tarts or Moss Interiors.

Join	Rules	Summary	Tippers	Team History	Game History	League Ladder	Reports
<b>COMPETITION SUMMARY</b>							
Quick Login							
ID:	<input type="text"/>						
(For ID use TipperID or Alias)							
Password:	<input type="password"/>	<input type="button" value="OK"/>					
To enter your tips, go to the <a href="#">Tippers</a> page.							
<b>Top 10 Tippers</b>							
BluesS	0						
DB	0						
NC	0						
Moose	0						
NM	0						
Car'n the Blues	0						
WO	0						
88000	0						
G&M	0						
N&J	0						
<b>Bottom 10 Tippers</b>							
Moose	0						
NM	0						
Car'n the Blues	0						
WO	0						
88000	0						
G&M	0						



# INCREASE TO AGE PENSION

According to research agency Rice Warner roughly 39% of Australians receive the full age pension and another 24% the part age pension. That backs up what we know in the office, age pension is a very important source of income for many people.

Centrelink has announced that age pension rates will increase from 20<sup>th</sup> March 2022. This is set to be largest increase in almost a decade and will cost the government an extra \$2.2 billion per year.

There will be another review in September 2022 and if the current high inflation continues we could expect another increase. There is a set formula used to calculate the increase to age pension, and it puts more weight on changes to fuel and transport expenses.

As well as changes to the age pension, other government benefits such as jobseeker and the single parenting payment will increase.



## centrelink

**New rates:** For a single person on a full pension the increase is \$20.10 per fortnight, or \$523 per annum; and for couples the combined increase is \$30.20 per fortnight or \$785.20 per annum.

In addition the assets tests limits are increasing. The amount of pension a person receives depends on how much income they earn, and what assets they have. An increase to the assets test limit means more people will become eligible.

For a single homeowner the limit has increased by \$6,750 to \$599,750 and for a couple, it has increased by \$10,000 to \$901,500.

If you have any questions on how these changes will affect your entitlements please contact the office.

## GENERAL ADVICE WARNING

Any advice or information in this publication is of a general nature only and has not taken into account your personal circumstances, needs or objectives. Because of that, before acting on the advice, you should consider its appropriateness to you, having regard to your objectives, financial situation or needs. Past performance is not a reliable guide to future returns.



## RECONTRIBUTION OF COVID-19 EARLY RELEASE PAYMENTS

Did you know around 3.5 million Australians accessed their super early to help alleviate financial stress caused by COVID-19 restrictions and job losses?

Unfortunately, withdrawing some of your super early will have an impact your retirement balance. The re-contribution of COVID-19 early release withdrawals into superannuation will help rebuild super balances, without counting towards your annual after-tax contributions cap.

The re-contribution measure allows you to re-contribute to your super up to the amount you withdrew early in 2020. These re-contributions can be made between 1 July 2021 and 30 June 2030.

Normally, any after-tax contributions you make to your super that exceed the after-tax contributions cap (currently \$110,000 p.a.) would incur tax penalties.

However, this measure ensures any after-tax contributions you make up to the balance you withdrew early won't count towards this yearly cap.

If you've decided to re-contribute the balance you withdrew and are nearing your annual after-tax contributions cap, you can choose to access the measure by completing the ATO's approved form. You must send them this form before or at the time you make your contribution.

If you're making re-contributions but aren't going to exceed your annual cap, it is not necessary to complete the re-contribution form, but the amount will count towards your after-tax contribution cap.

You will be eligible to make a re-contribution if you can answer **yes** to all the below:

- You accessed superannuation amounts through the COVID-19 early release of super program
- The total amount, including any previous COVID-19 re-contributions, you're re-contributing is equal to or less than the total amount you accessed through COVID-19 early release
- You provide the approved form notifying your fund of the re-contribution on or before the time when the contribution is made
- You re-contribute the amounts to your fund between 1 July 2021 and 30 June 2030
- You aren't claiming a deduction in your income tax return for amounts you re-contribute

If you need help re-contributing to super please give us a call!



## KEY SUPER CHANGES

Proposed superannuation changes announced in the 2021 Federal Budget have moved ahead in the last couple of weeks and now become law.

These changes provide further opportunities to utilise super to save for your retirement. Changes are summarised below and will come into effect on the 1<sup>st</sup> July 2022.

**Removal of the work test.** Individuals aged 67 to 75 now won't need to meet the work test (or work test exemption) to make salary sacrifice contributions and non-concessional contributions.

The work test will continue to apply to personal deductible contributions and will be a requirement under tax law for a person to be eligible to claim a tax deduction for a contribution made between 67 and 75.

**Removal of a minimum threshold of salary and wages for Super Guarantees.** The \$450 monthly minimum income threshold will be abolished, and employers will be required to pay a superannuation guarantee on all their employees' salaries and wages.

**Expanding eligibility for downsizer contributions.** Downsizer contributions will be extended to people aged 60 to 64 at the time the contribution is made. Currently, the person must be aged 65 or older at the time of making the contribution. This means that retirees aged 60 and over who downsize their homes are allowed to make a \$300,000 (\$600,000 per couple) non-concessional contribution to superannuation. Couples can contribute \$300,000 each

**Extension of bring-forward eligibility.** Individuals aged between 67 and 75 will be allowed to make non-concessional superannuation contributions under the bring-forward rule. Other eligibility rules relating to non-concessional contributions (NCCs), including total super balance thresholds will continue to apply.

**Increasing the First Home Super Saver Scheme (FHSSS) maximum releasable amount.** The maximum number of voluntary contributions that can be released by a superannuation fund under the FHSSS will be increased to \$50,000 (from \$30,000). Voluntary contributions available for release are capped at \$15,000 each year up to a maximum of \$50,000.

For more information regarding these changes, please call the office.

# HOT CROSS BUNS



## Ingredients

- 4 cups plain flour
- 2 x 7g sachets dried yeast
- 1/4 cup caster sugar
- 1 1/2 tsp mixed spice
- pinch of salt
- 1 1/2 cups currants
- 40g butter
- 300ml milk
- 2 eggs, lightly beaten

## Flour paste

- 1/2 cup plain flour
- 4 to 5 tbsp water

## Glaze

- 1/3 cup water
- 2 tbsp caster sugar
- Butter, to serve
- Select all ingredients

## Method.

**1.** Combine flour, yeast, sugar, mixed spice, salt and currants in a large bowl. Melt butter in a small saucepan over medium heat. Add milk. Heat for 1 minute, or until lukewarm. Add warm milk mixture and eggs to currant mixture. Use a flat-bladed knife to mix until dough almost comes together. Use clean hands to finish mixing to form a soft dough.

**2.** Turn dough out onto a floured surface. Knead for 10 minutes, or until dough is smooth. Place into a lightly oiled bowl. Cover with plastic wrap. Set aside in a warm, draught-free place for 1 to 1 1/2 hours, or until dough doubles in size.

**3.** Line a large baking tray with non-stick baking paper. Punch dough down to its original size. Knead for 30 seconds on a lightly floured surface until smooth. Divide into 12 even portions. Shape each portion into a ball. Place balls onto lined tray, about 1cm apart. Cover with plastic wrap. Set aside in a warm, draught-free place for 30 minutes, or until buns double in size. Preheat oven to 190°C or 170°C fan-force.

## **4.** Make flour paste:

Mix flour and water together in a small bowl until smooth, adding a little more water if paste is too thick. Spoon into a small snap-lock bag. Snip off 1 corner of bag. Pipe flour paste over tops of buns to form crosses. Bake for 20 to 25 minutes, or until buns are cooked through.

**5.** Make glaze: Place water and sugar into a small saucepan over low heat. Stir until sugar dissolves. Bring to the boil. Boil for 3-4 minutes. Brush warm glaze over warm hot cross buns. Serve warm or at room temperature with a butter as desired.