



SMSF ASSOCIATION

ANNUAL REPORT

2017





SMSF ASSOCIATION

**ANNUAL REPORT
CONTENTS**

HIGHLIGHTS 05
CHAIRMAN'S REPORT 09
CHIEF EXECUTIVE'S REPORT 11
PATRON 13
TIMELINE OF EVENTS 15
OUR STRATEGY 19
OUR BELIEFS 20
OUR OBJECTIVES 21
OUR VALUES 22
POLICY AND ADVOCACY 23
EDUCATION 25
TECHNICAL 27
MEMBERSHIP 29
OUR SUPPORTERS 31
OUR COMMITTEES AND LOCAL COMMUNITIES 33
CORPORATE GOVERNANCE 35
OUR DIRECTORS 37





“The value of my membership is having my SMSF expertise independently endorsed through accreditation, being a part of a trusted, professional community and having an opportunity to shape the future of the SMSF industry.”

Shelley Banton, Director,
ASF Audits

SMSF Specialist Advisor (SSA) and
SMSF Specialist Auditor (SSAud)
Member since: March 2008 (9 years)



2017 Highlights: There are now **\$696.7 billion in assets** in SMSFs (ATO June 2017). SMSFs represent just under **30%** of superannuation balances. **30.5%** of new members are between 35-44 years of age. SMSF balances have **increased by 15.5%** in the past two years (APRA June 2017 and ATO June 2015). **The average SMSF has a balance of \$1.12 million** (30 June 2016). On average **81 SMSFs** are set up every day in Australia. **The average number of new SMSFs set up per month in the last quarter is 2,060.** Superannuation assets in Australia totalled **\$2.324 trillion** at the end of the June 2017 quarter according to APRA. SMSFs account for over half of the super industry's voluntary contributions while representing only **8% of Australian superannuation members.**



2017 Social Media Highlights:

Twitter followers increased by:

14.2%

LinkedIn Company followers increased by:

20.4%

LinkedIn Network increased by:

17.0%

Facebook followers increased by:

17.9%

In the News:

252

1,074

Total media mentions

(including social media) for 1 July 2016 – 30 June 2017.

Number of SMSF Association mainstream mentions in media articles (includes amplified partner publications e.g. Fairfax group and broadcasts radio/TV).





Chairman's Report

Successfully negotiating a difficult year — The Year in Review

The 2016-17 fiscal year was an eventful year for superannuation, the SMSF sector, the Association, and our members.

Externally, the 2016 Federal Budget super reforms, and its associated amendments, represented the most significant superannuation changes in a decade. The ultimate policy outcomes were much better than contemplated in the 2016 Budget package, and prior versions being contemplated in the lead up to the 2016 Budget. Many of the improvements reflect the public policy research and advocacy by your Association. These reforms required significant advice requirements for our professional members and your trustee clients, supported by detailed technical strategies. As an Association, we sought to best position our professional members in fulfilling those advice obligations – especially through the National Conference, Technical Day Series, webinars and other educational material.

Another substantial change during the year was the age pension asset test changes, effective January 1, 2017 – these changes, with some perverse outcomes including retirement income “black holes”, highlight the need for a better integrated public policy framework. This is a continued strong area of focus for the Association in our public policy and advocacy efforts.

2016-17 was also a successful year for the Association, with significant progress on our strategic plan, positive advocacy outcomes, growth in membership, progress with the trustee initiative, successful education and technical conferences, a smooth and orderly transition in CEO leadership, and a financial result right on plan.

During 2016-17, “business as usual” operations were just moderately profitable, as is appropriate for a member-based organisation wanting to deliver a great value proposition for members while keeping fees to an appropriate minimum level. In addition, we invested into the Association's future platform for growth and service, with investments in the CRM platform and website capability to better service our membership, and in the trustee initiative, especially building the Trustee Knowledge Centre and marketing

costs to build trustee engagement. These medium-term strategic business investments explain the moderate planned operating deficit for the fiscal year.

The Association has always subscribed to high governance standards and strong and values-based leadership. This is particularly important for a member-based organisation where the mandate is to serve the public interest, the particular interests of the SMSF sector, and our members' interests. The issue of governance of professional associations came under scrutiny this year. Key governance developments for 2016-17 included the planned smooth and orderly transition of the CEO, the restructuring of our Board Committees to ensure they are focussed on strategic and governance issues and less on operational issues, some significant external appointments to these Committees, an external review of Board performance, and strengthening the Board further with the appointment of two new Directors, Professor Deborah Ralston and Robyn FitzRoy.

The year was highly significant with the passing of the CEO baton. Andrea Slattery, as co-founder of the Association, and CEO since inception, has made an extraordinary contribution to the growth and success of both the SMSF sector and the Association. Andrea has been a great ambassador for high standards of practice in the sector. Andrea's contribution is deeply appreciated by all. John Maroney, our new CEO, has excellent credentials for the role, and from the outset is demonstrating his deep expertise in public policy and advocacy, high energy, new initiatives and leadership to ensure the Association serves its stakeholders and remains the leading voice for the sector.

Looking Forward

Our public policy and advocacy agenda is broad but has been prioritised. Apart from the residual technical issues to address with the 2016 super reforms, the most pressing public policy issue is a better integrated public policy framework covering superannuation and retirement income policy, social security and tax in the first instance, and aged care and health in the longer term.

The lack of a cohesive framework was demonstrated with the January 1 asset test changes, with the perverse outcome

that singles or couples who have made a significant effort to self-fund their retirement can be worse off than people retiring on smaller balances. This makes little sense and needs to be addressed with policy adjustments.

The Productivity Commission (PC) Report on Superannuation – Assessing Competitiveness and Efficiency – will be significant. Following its July 2017 Issues paper, and resulting submissions, the Productivity Commission will issue its Draft Report in early 2018. Its focus includes costs, fees and net returns, default superannuation arrangements, and insurance in superannuation. While we expect the most significant focus of the PC will be on large superannuation funds, we know that the PC will still cast a thorough eye over the SMSF sector. Accordingly, we will continue to engage with the PC especially regarding SMSF asset allocations, fees and returns as they assess the SMSF sector. Members can find our submission to the PC's issues paper on the Association website.

During 2016-17, the Government announced the formation of the Financial Adviser Standards and Ethics Authority (FASEA), the appointment of its Board, and the appointment of Dr Deen Sanders as CEO. FASEA will have a key role in shaping advice and professional standards, Code arrangements, education and CPD requirements, and how these arrangements are monitored and supervised in a co-regulatory model. Your Association will engage strongly with FASEA, and is and will be advocating strongly for the recognition of specialists, including SMSF advice as an area of specialisation where appropriate provisions and accreditation requirements should apply for SMSF professionals.

For at least the past 10-15 years, the SMSF sector has played a vital role in funding equity and debt capital markets in Australia, which contributes to Australia's national prosperity. We are exploring new areas where the SMSF sector can contribute to other areas of national need, including innovative new funding models for housing, and the commercialisation of innovation in Australia, in an innovative yet prudent and responsible manner. This may lead to the creation of new asset classes, with return and risk characteristics which have a low correlation with existing major asset classes, and hence be good for portfolio construction, and contribute to

SMSF trustees fulfilling their investment objectives. This is a medium-term initiative which may take 2-4 years to develop.

In pursuing our objectives of maximising influence and ‘footprint’, there is a limit to what the SMSF Association can achieve alone with our own finite resources (including financial), and recognising that these resources derive very largely from our professional members. We need to spend and invest wisely. To this end, we intend developing a range of strategic partnerships in pursuit of our strategic objectives – always on the basis that they are congruent with the values of the Association, and do not compromise our independence and integrity through inappropriate commercial arrangements. Potential areas for strategic partnership include research and thought leadership, education, post retirement advice and solutions, women in super, capital markets, and data and communication protocols for the sector. The first of these partnerships was evidenced by the Strategic Partnership and Statement of Intent between the SMSF Association and the Australian Taxation Office, announced February 14, 2017.

Finally, on behalf of the Board, I would like to thank our Senior Executive team and our wonderful staff, our extended army of volunteers who so generously dedicate their time and effort through Committees and Local Community groups, and our professional members, for all your efforts in serving the interests of SMSF trustees and our broader stakeholder base.



**Andrew Gale
Chairman**

Chief Executive's Report

One of the questions I have been frequently asked since returning from the beautiful Swiss city of Basel is why I gave up the position as Head of Capital and Solvency at the International Association of Insurance Supervisors (IAIS) to move to Adelaide to take up the reins at the SMSF Association in May 2017.

Well, like many of life's decisions, there's no one answer to this question. But an important factor in my decision was the opportunity to return to the world of superannuation after first becoming involved in the 1980s. The work then was exciting, challenging, and, with political and industrial momentum growing to introduce compulsory superannuation, it was an industry with enormous promise and a highly laudable social objective – giving people the opportunity to enjoy a secure and dignified retirement.

With compulsory superannuation (introduced in 1992), funds under management quickly grew. But what has surprised many, including me, was how quickly the self-managed super fund sector grew. Certainly when I left for Switzerland eight years ago, I would not have predicted that SMSFs would be the largest super sector today. Going hand in glove with that growth in retirement savings has been the emergence of the SMSF Specialist to advise trustees, with the SMSF Association playing a critical role in this vital development. The result is an SMSF sector on a sound footing, a conclusion both the Cooper report (2010) and the Murray report (2014) reached.

However, a healthy state of affairs still allows no room for complacency; the challenges at industry (witness the 2016 Budget changes), professional and trustee levels will keep coming. What I have realised in my first six months is that the SMSF Association is well placed to meet these challenges.

The Board provided its vision via the 2020 Strategic Plan that encompasses our

ongoing leadership of the SMSF sector in terms of education and professionalism, a customer focus that drives an exceptional experience for all members and stakeholders, a financial performance that permits vital reinvestment, and expanding mutually and financially beneficial partnerships. Underpinning this vision is a skilled, committed and engaged staff.

At a practical level, it requires the SMSF Association to have constructive working relationships with all key policymakers and with key agencies, such as the Australian Securities and Investments Commission (ASIC), the Australian Taxation Office (ATO) and the Productivity Commission (PC). With ASIC we are working on issues such as SMSF advice surveillance activities; professional licensing, with a particular focus on supporting existing licensees and providing extra guidance to those entering the industry. We will also work with the Financial Adviser Standards and Ethics Authority (FASEA) to provide a practical application process for approving code monitoring bodies.

Since the 2016 Budget, much of our work with the ATO has revolved around the changes announced in that document, as well as the legislative package that became law late last year. The 2017 National Conference provided me with an enormous insight into how well the Association responded to this challenge. The members' thirst to comprehensively understand what the Budget changes meant for their clients was clearly evident. There was a real buzz at the event, much of it around these momentous changes, reinforcing to me why I had been attracted to the CEO role.

One thing I remember about superannuation from the 1980s that is still evident three decades later is that the only constant is change. With this firmly in mind, one of my first initiatives was to establish the Global Centre of Excellence for Retirement Savings, a policy think tank that will provide thought leadership about key areas in the retirement savings market, with a broad focus on financial and non-financial issues. It will position us well to meet the myriad policy challenges of tomorrow.

We are also investing more time and resources with SMSF trustees, with an inaugural SMSF Trustee Expo planned for Melbourne and an inaugural Trustee Festival in Adelaide. Both events will be held next year, with similar events planned in the following years. Our aim is to continue to educate and engage trustees to keep them well informed and active in the management of their SMSF and their relationships with their advisors. We expect these efforts will lead to better informed, educated and engaged trustees who are more likely to actively seek professional advice as they prepare for a secure and dignified retirement.

Finally, let me thank all members for the way you have warmly welcomed me into the Association. I have been touched by your generosity of spirit, impressed by the pride you rightly take in the SMSF sector as a profession, and gratified by your loyalty to the Association. Much has been achieved in the past 14 years, and, together, much more can be achieved into the future.



John Maroney
Chief Executive Officer



Patron

It became one of the defining moments of the National Conference. For a decade, Sir Anthony Mason, as Association Patron, would clinically dissect an industry or professional issue. Delegates appreciated the thoughtful words of one of this country's foremost jurists – and the professional challenge typically explicit in what he said.

Well, with the passing of the Patron's baton to the Reverend Tim Costello, delegates can still expect to be challenged. Although the focus will differ, the role of the Patron to articulate an issue in a way that intellectually stimulates and challenges will remain integral to the annual address. Costello's career, his enormous contribution to society in various roles over more than three decades, suggests it could not be any other way.

Today, he occupies the position of Chief Advocate for World Vision Australia after being its Chief Executive for 13 years until he stepped down in October 2016. He brought to World Vision an intimate knowledge of poverty, of destitution, of homelessness – but from a far different local perspective.

After studying law and education at Monash University, he spent three years studying theology at the International Baptist Seminary in Rueschlikon, Switzerland. Returning to Melbourne, a pastoral position became available at the Baptist Church in the bayside suburb of St Kilda, taking him into a world where drug addiction, street prostitution, homelessness, were very much part of the social fabric. For Tim, it was just the challenge he needed.

Over 10 years, he blended his pastoral work with a legal practice, growing both. A congregation of just six grew to 300 requiring four ministers; the legal office grew apace as the spiritual and legal worlds often overlapped. He also pushed into local government, being Mayor of St Kilda between 1993-94, until he was, in his words, "jeffed" – that quaint verb that crept into Victoria's lexicon during the Jeff Kennett premiership between 1992 and 1999. In his case, it meant losing the mayoralty because of Kennett's decision to enforce council amalgamations.

In 1995, he crossed the Yarra River to become the Baptist Minister at the inner-city Collins Street church, as well as taking on the role of Executive Director of Urban Seed, an Australian community development organisation focused on the idea that everybody needs a place to belong – especially those experiencing homelessness, mental illness, addiction and isolation.

Using both these positions as his "bully pulpit", he took a leading position on problem gambling, urban poverty, homelessness, reconciliation and substance abuse. On the issue of problem gambling, particularly with poker machines, he became a vocal advocate of reform – a cause he still believes in fervently, and one that brings him into conflict with governments thirsty for the tax revenue these machines generate.

By 2004, he decided it was time for a change, so when he was approached to become Chief Executive of World Vision Australia he took it in a heartbeat, staying in the position until October 2016.

"When you work with domestic social issues such as drug addiction, homelessness, mental illness, it's with the knowledge that you're often applying a band-aid, not a cure. You often know these people personally, with your efforts directed at just trying to ameliorate their suffering.



"Internationally, in developing nations, poverty is far more the product of the socio-economic environment. Here it's about empowering these people so they can take control of their own lives. For World Vision, the core philosophy is giving people a 'hand-up', not a 'hand-out'. As such, intervention in the form of constructive aid can have an enormous benefit for these communities."

There is no doubt Tim will want to use his position as Patron to reach out to members – advisors and trustees alike – to challenge them to give back to society. He has a view that life is like two containers; the first container, we fill it up with "assets" – education, marriage, children, career – as we build our lives.

With the second container, we draw down on what's been accumulated, both in terms of physical assets and life's experiences. It's this stage of life where people have the capacity, the time, the resources, to give back to their families and communities, whether they be local, national, or global. This will be Tim's challenge to members – to take the time, the effort, to give back. It's an experience he genuinely believes can not only enrich a community, but an individual.



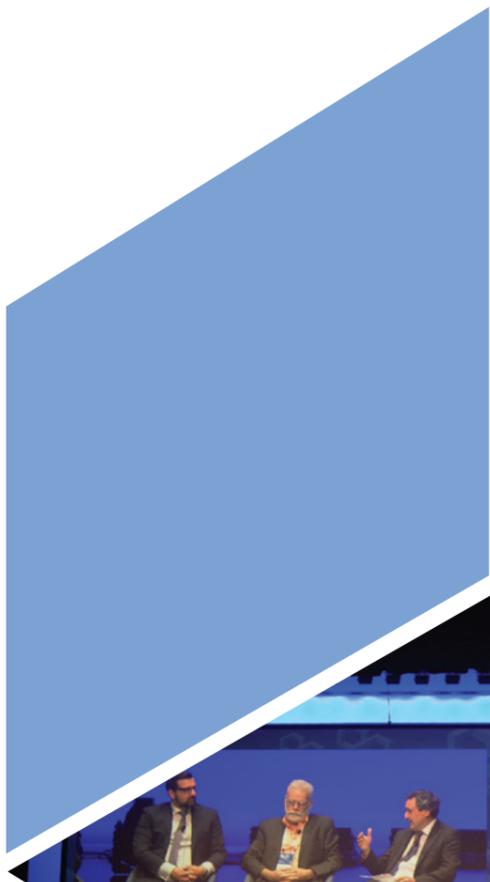
“Upon joining the SMSF Association I was impressed with their level of professionalism and their ability to connect in a meaningful way with their members. This has continued over the years and I now see membership to the SMSF Association as imperative in maintaining my SMSF expertise.”

John Alam, Managing Director, John Alam & Partners

SMSF Specialist Advisor (SSA)
Member since April 2011 (6 years)



February 2017
SMSF Association
National Conference
held at the Melbourne
Convention and
Exhibition Centre



April 2017 Women,
Super and Wealth Summit
held at the Sofitel Sydney
Wentworth.

February 2018
SMSF Association
National Conference
to be held at the ICC
Sydney



July 2017
SMSF Association
Technical Day Series
(Sydney, Brisbane,
Melbourne, Adelaide
& Perth)



May 2017
John Maroney
commences as CEO



Our Strategy:

Our 2020 Strategic Plan outlines how we are going to pursue our vision to **‘enable Australians to take greater control of their own destiny through a sustainable SMSF community.’**

As part of the ongoing review of our strategy we have articulated a set of beliefs and values that encapsulate our purpose.

Our Beliefs

- We believe that every Australian has the right to a good quality of life in retirement.
- We believe that every Australian has the right to control their own destiny.
- We believe that how well we live in retirement is a function of how well we have managed our super and who has advised us.
- We believe that better outcomes arise when professional advisors and trustees are armed with the best and latest information, especially in the growing and sometimes complex world of self-managed super funds.
- We believe that insisting on tight controls, accrediting and educating advisors, and providing accurate and appropriate information to trustees is the best way to ensure that self-managed super funds continue to provide their promised benefits.
- We believe that a healthy SMSF sector contributes strongly to long term capital and national prosperity.
- We are here to improve the quality of advisors, the knowledge of trustees and the credibility and health of a vibrant SMSF community.

We are the SMSF Association.

Our Objectives:



Financial

Achieve performance that enables reinvestment for future development and growth



Leading the SMSF Sector

The standard setter for SMSF education and professionalism



Customer-Client Centric

Drive an exceptional client experience for all members and stakeholders



Employees

A skilled, passionate and engaged workforce



Strategic Partnerships

Sustain and grow strong mutually and financially beneficial partnerships

Our Values:

Leadership

Influence / Strategic

Professionalism

Knowledge / Intelligence

Integrity

Reliability / Ethical

Sustainability

Innovation / Enabler





Policy and Advocacy

Jordan George, Head of Policy, SMSF Association

Throughout much of 2016-17 the key focus of the SMSF Association's policy and advocacy work has been around the implementation of the Government's superannuation changes through both consultations on legislation and also on the Australian Taxation Office's (ATO) implementation of the new laws. Trying to improve the Government's legislation to reduce complexity, minimise unintended outcomes and ensure that SMSF trustees were not unfairly affected by the changes were important goals. Similarly, trying to minimise the compliance impact on trustees and their advisors has been our main motivation when working with the ATO on implementing the new laws.

A significant issue which arose out of the Government's superannuation changes was further amendments proposing to include the outstanding balance of a limited recourse borrowing arrangement towards an individual's total superannuation balance. We saw this as unfair and poor policy that overreached in trying to close a small loophole. We made numerous representations to Government on this issue, aided by high quality feedback and case studies from our valued members, which was critical in persuading the Government to reconsider these amendments.

Running parallel to our work around the superannuation law changes has been engaging with the Productivity Commission's review of the efficiency and competitiveness of the superannuation sector and the early stages of the new education and ethics regime for financial advisors. Both of these policy issues will have the potential to significantly shape financial services in the immediate and long-term future.

Most recently, we have been focussed on the ATO's event-based reporting regime, the Government's tightening of the superannuation guarantee rules to protect employees and the 2017 Budget changes to superannuation around housing. Event-based reporting has been one of the most controversial issues this year but we believe that the feedback of our membership will shift the ATO to a sensible transition to the new rules.

The year ahead will see a focus on working with the new Financial Adviser Standards and Ethics Authority to establish the new education and ethical standards for advisors, and assisting the Productivity Commission understand the SMSF sector as part of its superannuation review. The transition to event-based reporting for SMSFs in 2018 will also be a critical issue.

As always our approach to policy and advocacy will be to represent our members' views to Government and strive to influence policy in the public interest to lead the professionalism, integrity and sustainability of the SMSF sector.

Liz Ward, Head of Education (2012-2017), SMSF Association

The fact it has been a hectic year on the education front should surprise no one. The moment that the 2016 Budget reforms became law late last year, the SMSF Association was acutely aware of the complexity of the changes and the need to educate members so they would be prepared for the 1 July 2017 deadline. It began with the 2017 National Conference in February, there were a bumper series of intensive education roadshows in April and May, and then the Technical Day Series in July provided the ideal opportunity for a review – an opportunity members relished.

The fact members were keen to learn about the changes quickly became apparent at the National Conference with overwhelming demand for the workshops addressing the issues. There is no doubting this format, which includes a practical family example, is popular with members, encouraging, as it does, greater audience participation. Based on the feedback we received, the decision was made to repeat the format at the Technical Day Series, again to member acclaim.

This year saw a first for the Association – the inaugural Women, Super and Wealth Summit. Run in partnership with the Financial Services Council, it was an opportunity to dissect the reasons why womens’ superannuation balances are significantly lower than mens’ – and how to address the issue. What emerged were some encouraging signs that not only was there a great awareness of the gender gap issue, but this inequality was finally being seriously addressed.

Certainly, the Government and Opposition both realise this inequity must be

addressed unless Australia wants women in retirement to be the “future poor”. Steps are being taken, but what this Summit highlighted is that while government initiatives are important, much of the change must be driven by women, particularly those in leadership roles in the financial services and superannuation sectors if we are to guarantee much better financial outcomes for our daughters and grand-daughters.

Another first for the Association was a Chairman’s Lunch with the Treasurer, Scott Morrison, in March. Board and executive members were given a rare opportunity to hear first-hand the Treasurer’s views on a range of SMSF industry issues and policies, and provide feedback. These types of gatherings, conducted under Chatham House Rules, are of enormous value, in that we can engage in a healthy debate with the Minister and his advisors in a collegial atmosphere that can only be beneficial for our superannuation sector.

Offering education services to our growing trustee membership is an increasingly important part of what we do. As part of this we have been conducting monthly online presentations and forums (webinars) covering a range of topics germane to SMSF trustees. What’s been encouraging is not only that attendances have been growing, but the feedback has been positive. Trustees are thirsty for knowledge, and are appreciative when it’s provided in an interesting format that engages them.

Another sign of growing trustee engagement is that more than a 1000 have completed the online SMSF Education Courses that have been approved by the ATO. Although some did it out of interest, others did so after getting a “gentle suggestion” from the ATO. Either way it’s a good outcome.

We also held our first SMSF Trustee Seminar in Melbourne, and with 50 people attending it was a promising turnout. This event was followed in Sydney with the inaugural SMSF Trustee Conference held in Sydney on 30 October. For those members with good memories, they might remember the early National Conferences, and see what that event has now become on the superannuation calendar. We are confident the Trustee Conference will have a similar journey.





Technical

Peter Hogan, Head of Education and Technical, SMSF Association

This year's Technical Day Series took place just weeks after the biggest changes to superannuation in a decade took effect on 1 July 2017. Strong attendances went hand in glove with keen interest from members as to what these changes would mean for their clients, with the workshops proving the ideal forum to have these discussions.

It was the first time the Technical Day Series had solely used the workshop concept, a format that was well received by members, giving the opportunity for robust discussion from the floor between delegates and presenters, as well as the other facilitators who helped with the breakout sessions, on these four topics: total super balances, the transfer balance cap, CGT relief and estate planning.

We had advance notice at the National Conference in February of the acute member interest in the changes, so to use the Technical Day Series to discuss what were the practical implications post 1 July was extremely beneficial. And based on member feedback, certainly the workshop format will remain an integral part of how to run future conference events.

The Association's concerted efforts to ensure members were across the technical detail of the changes were not limited to the National Conference and Technical Day events. There were two well-attended intensive training sessions around the country, one before 30 June and the other post 1 July. As with the Technical Day, what was evident was a real thirst for knowledge, with the understandable focus on what it meant for clients.

In addition, we developed and distributed multiple Go-To Guides on related technical topics to provide practical additional support for professional members on the advice they needed to give their clients on a day to day basis

There can be no doubt coming to grips with CGT relief has been an issue of concern for members. This became apparent at the Technical Day Series, with members requesting more information and case studies on this complex subject. As a consequence, we initiated a national intensive program on this topic in the aftermath of the Technical Day events that were well attended and received, as well as offering members additional compendiums to the CGT Go-To Guide on both segregated and unsegregated CGT relief issues.

Webinars continue to be an important tool for imparting information on topical issues to members, both professionals and trustees, with new additional material developed for the Trustee Knowledge Centre as well as the professional web page.

Late in 2016, we offered a Masterclass on the "A to Z of Death" where we introduced a new combined package of webinar, quiz and three-hour workshop to enhance the CPD opportunities for participants. It was well received with another planned for November 2017.

On the technical front, it has been a challenging year. Coming to grips with what the Government's changes meant for professionals has required an intensive effort on everyone's part. What has been extremely gratifying in this process has been the keen response from members to make every effort to come to understand what are complex technical issues – a professional response, with your clients the ultimate beneficiaries.

Craig Montgomery, Membership Services Manager, SMSF Association

The Association exists for its members and we are continually striving to provide relevant products and services to meet and surpass member expectations.

With a growing proportion of our membership being Specialist Members (currently 55%) we recognise the importance of ensuring ready access to quality education to support ongoing CPD requirements. In response to feedback from our 2016 Member Survey, the Association introduced the following online CPD opportunities as a complimentary member benefit in 2017:

- Quarterly Legislative & Regulatory update webinars – 2 CPD points each
- Annual Budget update webinar – 2 CPD points
- Up to six Technically Speaking articles – 1 CPD point each on successful completion of a short quiz

With the most significant changes to superannuation in the last decade introduced from 1 July 2017, our education programs have focussed on comprehensive and practical content to best prepare our members to meet the needs of clients both in the lead up to, and after the new legislative changes were implemented. These education programs, offered in both face-to-face and online formats have been complemented by the introduction in 2017 of our 'Go-To Guides', comprehensive technical papers addressing the most challenging of these legislative changes.

A key challenge many members identified was being "time poor", particularly when it comes to keeping up with legislative and regulatory changes, and meeting the requirements of ongoing CPD demands while performing day-to-day tasks. To address this, the Association has introduced a broader suite of recorded technical webinars providing greater access to CPD opportunities which can be completed at your convenience without leaving your office.

In response to member requests for greater brand recognition in the trustee market, the Association has embarked on a number of national campaigns both on radio and in print media, promoting the importance of trustees seeking out specialist professional advice when making decisions affecting their SMSFs.

2017 Member Survey

Thank you to those members that participated in our recent annual Member Survey. We value your input and feedback which helps us to shape the future of the Association so that we continue to meet and surpass your expectations.

Quotes from the Member Survey:

"I think the Association is fantastic and helps me with my SMSF discussions with clients."

"I find the Conferences to be very well thought out and comprehensive."

"I think you do a great job. Events are well organised and good value."

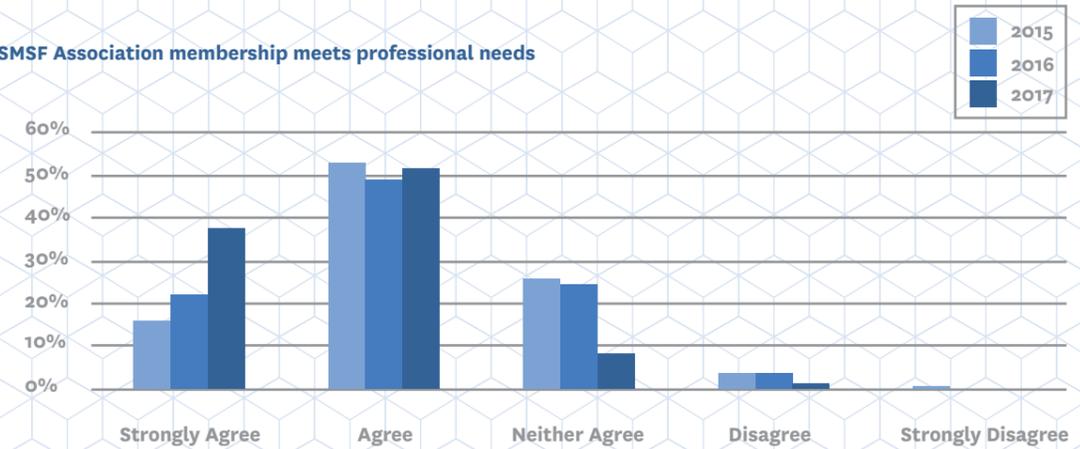
"Keep doing what you're doing while bringing into the membership as many SMSF advisors and potential SMSF advisors as possible."

"I think the offering of styles of learning and accessibility has improved dramatically over the years so can't really suggest any improvements - very happy!"

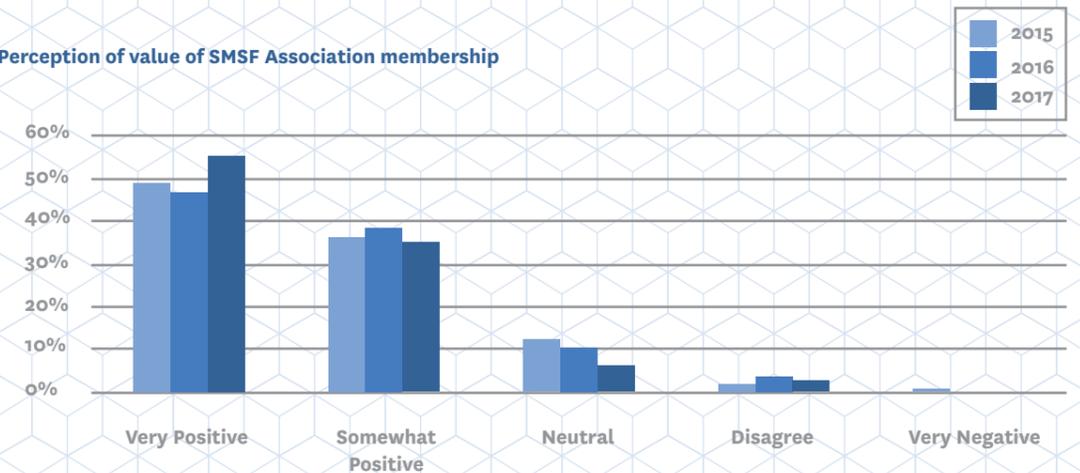
"The best part of this Association is that they are there when you need them, the services and resources are excellent but they don't get in your way when trying to do day-to-day business."

"You are wonderful advocates, and represent us very well."

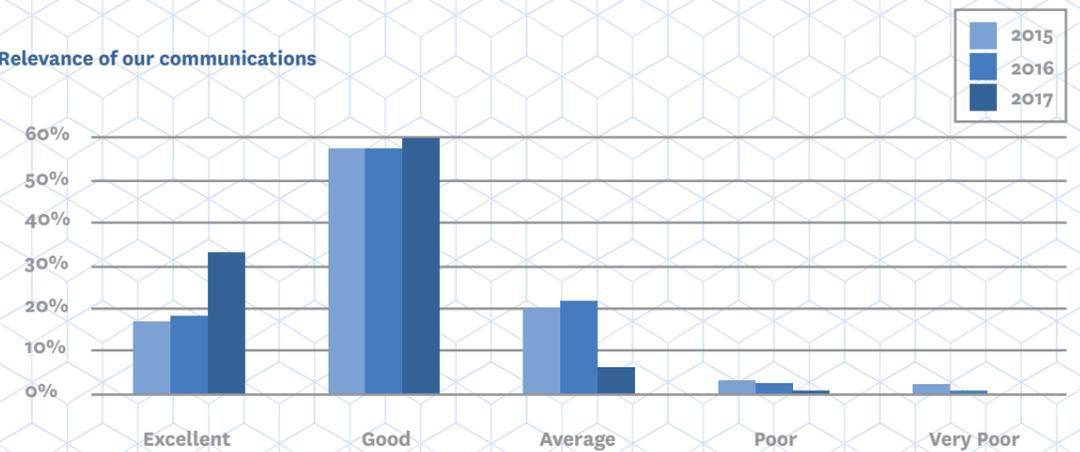
SMSF Association membership meets professional needs



Perception of value of SMSF Association membership



Relevance of our communications





“The Association’s emphasis on training has been huge in building my confidence. Another benefit is that I am a much more rounded advisor as I am connecting with members from many other different professions.”

Daniel Martinez, Senior Financial Adviser, PFG Financial Services

SMSF Specialist Advisor (SSA)
Member since: May 2015 (2 years)



Our Committees and Local Communities

The success of the SMSF Association has been built on the time and efforts of our committee members and volunteers. Thank you for your generous contribution and continued support.

Board Committees

Finance and Audit Committee

Brett Kenny – Chair
Nick Aston – Vice Chair
John Maroney – Chief Executive Officer
Andrew Hamilton

Board Nomination and Remuneration Committee

David Spear – Chair
John Maroney – Chief Executive Officer
Robin Bowerman
Andrew Hamilton

Public Policy Committee

Robin Bowerman – Chair
John Maroney – Chief Executive Officer
The Hon. Bernie Ripoll
Andrew Gale
Andrea Slattery
David Shirlow
Deborah Ralston
Jordan George

Governance and Risk Committee

Peter Crump – Chair
John Maroney – Chief Executive Officer
Cath Mulcare
Robyn FitzRoy

Association and Advisory Committees

Membership Committee

Brett Kenny – Chair

Professional Standards Committee

Andrew Sinclair – Chair

Education Committee

Peter Hogan – Chair

Regulatory Committee

Peter Hogan – Chair
Jordan George
Daniel Butler
Caroline Harley
Peter Burgess
Peter Crump
Craig Day

Media and Communications Committee

Jessica Beare – Chair

National Conference Technical Program Committee

Hannah Lennox – Chair
Peter Hogan
Jordan George
Craig Day
Jemma Sanderson
Mark Ellem
Shelley Banton
Scott Hay-Bartlem
Robin Bowerman
Tessa Zandegu

Local SMSF Communities

ACT Paul Salinas
NSW Liam Shorte
NT David Smith
QLD Brett Griffiths
SA Julie Steed
TAS David Allen
VIC Michael Houlihan
WA Con Gotsis



Corporate Governance Statement

The SMSF Association follows the AICD Ten Principles promoting good governance in the Not for Profit sector.

1. Roles and Responsibilities of Directors and the Board

The Board of Directors is the principal body responsible for the corporate governance of the Association and has primary oversight of its performance and the development and approval of long term strategy.

The Board has a management framework, risk management process and system of controls and established ethical standards. The Board is responsible for:

- Determining & reviewing the Association's short & long-term strategies
- Approval of budgets
- Appointment & evaluation of the CEO
- Risk oversight
- Integrity in financial reporting
- Monitoring of the activities of the Association

In accordance with the Association's delegation authorities, the Board has delegated to the CEO responsibility for the day to day management of the Association. The detailed delegations are reviewed regularly and are also reviewed by the Board.

2. Board Composition

The Board is comprised of nine non-executive Directors who are appointed to three-year terms. Directors seek re-election for a maximum of two additional terms. The CEO is invited to attend Board meetings as an observer and has speaking rights. This ensures that the decisions of the Board and the background to decisions are clearly communicated to the executive team.

The Nominations and Remuneration Committee meets regularly to review the Board's composition and uses a skills matrix to review the needs and skills of the Board and any potential nominations for new directors.

As part of the consideration of potential directors the committee looks for continuity of expertise, representation across regions and different sectors and balance of skill diversity within the Board. The Association adopts a fit-for-purpose approach to Director selection to ensure the selection of the most appropriate skillsets within the Association's resource constraints.

The committee is comprised of the CEO, two Board nominated directors and an independent Chairman.

All new Directors receive a comprehensive induction program including information outlining their duties and responsibilities as directors. Further education is provided to the board through internal and external presentations and strategic presentations with the senior executive.

Board members are approved at the Annual General Meeting following their appointment.

3. Purpose and Strategy

The Board determines the purpose and strategy of the Association which is monitored on a regular basis. The Association's Vision, Mission and Strategic Plans are set for a period of 5 years and are reviewed annually by the Board and executive team. The Association's vision, mission and beliefs are available via the Association's website.

4. Risk

The Board has an established risk management framework to recognise and manage risk. The Board is responsible for the setting of the Association's risk appetite, risk monitoring and oversight.

Risk management is shared across all levels of the Association. The executive team identifies, assesses, monitors and manages current and emerging risks using the risk framework. This is reviewed by the Governance and Risk Committee and at each Board meeting.

5. Organisation Performance

Organisational performance is assessed against several performance indicators that are determined as part of the strategic planning process. To ensure a balanced approach to performance management these are categorised into Financial, Leading the Sector, Customer/member Centric, Employees and Strategic Partnerships.

6. Board Effectiveness

The Board meets six times each calendar year and undertakes annual Board performance reviews. Every second year these are conducted by an independent external party.

To maximise Board effectiveness, some of the detailed work of the Board is considered by a number of Board committees. Each committee has a clear terms of reference and major issues and action items are tabled at each Board meeting.

7. Integrity and Accountability

The Board's Finance and Audit committee is responsible in assisting the Board in ensuring integrity in the Association's financial reporting. Committee members are comprised of the CEO, two Board representatives and the Association's external accountant and comprise of members with an appropriate level of financial literacy.

All financial reports that are provided to the Board are reviewed by the Finance and Audit Committee for integrity and completeness.

The Association engages an external Auditor who's performance is reviewed on an annual basis.

8. Organisation Building

Remuneration

Remuneration for the Board and CEO is determined by the Nomination and Remuneration Committee which assists the Board in its duties relating to remuneration, CEO performance review and remuneration policy and strategy.

Any changes to Board remuneration is subject to approval at the AGM in accordance with section 22.3 of the Constitution

Remuneration of the CEO and Board are regularly reviewed to ensure they are in line with relevant market rates, expectations of members and based on the independent advice received by the Nomination and Remuneration Committee.

The CEO is eligible for a bonus payment subject to Board approval against a range of agreed performance indicators including the overall performance of the Association and key targets reflecting strategic objectives.

The Association has an annual salary and bonus review process for all staff. The remuneration framework is in line with market rates and is linked to the delivery of key performance measures. Review of remuneration is conducted on an annual basis against industry benchmarks to ensure it is in line with market expectations.

9. Culture and Ethics

Conflicts of Interest

Board policy requires that if there is, or could be a conflict of interest for directors the relevant directors do not participate in those discussions or vote on that issue and also absent themselves from the meeting room when those discussions are held. The policy provides for a register of interests and directors are required to notify of any changes to conflicts of interest as a standing item at each board meeting.

10. Engagement

As part of the annual strategic planning process, the Association identifies its key stakeholders. Active engagement plans are developed for each category to maximise communication and build relationships.

Our National Board is represented by the following members who have backgrounds in a range of professional financial service occupations



Andrew Crawford Gale

QUALIFICATIONS

Fellow of the Institute of Actuaries of Australia, Bachelor of Arts majoring in Actuarial Studies (Macquarie), Masters of Business Administration (Macquarie), Fellow of the Australian Institute of Company Directors.

EXPERIENCE

Andrew has over 30 years' experience in the financial services industry, with particular areas of expertise in boards and governance, M&A, operations, corporate strategy, marketing, distribution, product management, wealth management, financial planning, and new ventures.

SPECIAL RESPONSIBILITIES

Chairman



Robin Lewis Bowerman

QUALIFICATIONS

Member of the Australian Institute of Company Directors.

EXPERIENCE

Head of Market Strategy and Communications at Vanguard, Robin holds expertise in investor education, funds management, industry and regulatory related topics. Robin has over 15 years experience as a leading financial services writer, commentator and editor.

SPECIAL RESPONSIBILITIES

Vice Chairman, Chairman of the Public Policy Committee



Andrea Elizabeth Slattery

QUALIFICATIONS

Masters in Commerce (University of South Australia), Bachelor of Arts in Accountancy (University of South Australia), Member of CPA Australia, CPA Australia Financial Planning Specialist, Fellow of the Australian Institute of Company Directors and SMSF Association SMSF Specialist Advisor.

EXPERIENCE

Andrea is an experienced Independent Non-Executive Director on Boards & Advisory Committees for more than 25 years in ASX, commercial, government & NFP sectors with particular experience in: financial services, finance, superannuation, infrastructure, innovation & technology, investment, public policy, governance & education. Andrea is a keynote speaker and is recognised as a senior thought leader, influencer and transformational change agent in Australia

SPECIAL RESPONSIBILITIES

Director



Deborah Eileen Ralston

QUALIFICATIONS

Master of Economics, PhD in Finance, Fellow of CPA Australia, Fellow of Australian Institute of Company Directors.

EXPERIENCE

Deborah has over 20 years experience as a Non executive Director on public and private sector boards. She is currently a member of the RBA's Payments System Board and is the Chair of ASIC's Digital Finance Advisory Committee. She is also a Director of ASX Listed Mortgage Choice where she Chairs the Investment Committee for Mortgage Choice Financial Planning. Deborah is a Professorial Fellow at Monash University.

SPECIAL RESPONSIBILITIES

Director



Peter Ian Crump

QUALIFICATIONS

Certified Financial Planner, Fellow of the Institute of Actuaries of Australia, Bachelor of Arts majoring in Actuarial Studies (Macquarie), Chartered Tax Adviser, Advanced Diploma of Financial Services (Financial Planning), Graduate of the Australian Institute of Company Directors and SMSF Association SMSF Specialist Advisor.

EXPERIENCE

Peter provides strategic financial planning advice to his clients as well as actuarial advice to clients and lawyers on superannuation and family law issues.

SPECIAL RESPONSIBILITIES

Director, Chairman of the Governance and Risk Committee

Our National Board is represented by the following members who have backgrounds in a range of professional financial service occupations



Andrew John Hamilton

QUALIFICATIONS

Diploma of Financial Services, SMSF Association SMSF Specialist Advisor.

EXPERIENCE

Andrew has a wealth of knowledge and experience, gained from more than 25 years of working in the SMSF industry, both within the private and corporate sectors. Having established and operated a successful start up SMSF company, Andrew then moved into the corporate sector, further broadening his SMSF exposure.

SPECIAL RESPONSIBILITIES

Director



Brett Nicholas Kenny

QUALIFICATIONS

Bachelor of Economics, Fellow of Chartered Accountants Australia and New Zealand, Member of CPA Australia, SMSF Association SMSF Specialist Advisor.

EXPERIENCE

Brett has been providing self managed super fund services to clients since 1983 specialising in strategic decision making and forecasting models along with tax, accounting and general commercial advice.

SPECIAL RESPONSIBILITIES

Director, Company Secretary, Chairman of the Finance and Audit Committee, Chairman of the National Membership Committee



Cath Mary Mulcare

QUALIFICATIONS

Bachelor of Economics, Fellow of Chartered Accountants Australia and New Zealand, Member of the Australian Institute of Company Directors.

EXPERIENCE

Cath has strong finance, governance, risk management and regulatory experience and has worked across a range of industries with a strong focus on not for profit organisations.

SPECIAL RESPONSIBILITIES

Director



Robyn Louise FitzRoy

QUALIFICATIONS

Bachelor of Arts (Macquarie); Master of Arts (UTS), Master Coach, International Coaching Federation, USA; Diploma Information Technology Business Application (Harvard University USA); Diploma Marketing Management (Macquarie University). Accredited facilitator and course author for the Australian Institute of Company Directors. Fellow of the Australian Institute of Company Directors.

EXPERIENCE

Robyn has over 20 years' experience in the financial services industry and is a former Executive Director of Macquarie Bank. She is also a non-executive director of Gateway Credit Union. Robyn is a management consultant specialising in governance and has held non-executive director positions on the boards of CUSCAL, MLC School Burwood, Habitat for Humanity Australia and WealthPortal Pty Ltd.

SPECIAL RESPONSIBILITIES

Director (Appointed 1 June 2017)



David Stewart Shirlow

QUALIFICATIONS

Law and Economics Degrees (University of Sydney), SMSF Association SMSF Specialist Advisor and Chartered Tax Adviser.

EXPERIENCE

David has been involved in the financial services industry since 1985, including operating a legal practice and policy consultancy specialising in superannuation matters and managing superannuation-related technical and government policy matters as an Executive Director of Macquarie Bank.

SPECIAL RESPONSIBILITIES

Director (Retired 16 November 2016)



“I believe being a member of the SMSF Association provides numerous benefits to both my business and me personally. The Association provides great technical support and excellent networking with other like-minded professionals within the industry.”

Cherie Archibald, Auditor, InFocus Audits

SMSF Specialist Auditor (SSAud)
Member since: November 2011 (6 years)

