



SMSF Association
Annual Report

2019

Registered office

SMSF Association
Level 3, 70 Pirie Street
Adelaide SA 5000
Phone: 08 8205 1900
Fax: 08 8212 5993
smsfassociation.com
smsfconnect.com

Auditor

Nexia Edwards Marshall
Level 3, 150 Flinders Street
Adelaide SA 5000

Bankers

Westpac

Annual General Meeting

The SMSF Association's
Annual General Meeting will
be held on Wednesday 20
November 2019 at 4:30pm
in the SMSF Association
Adelaide Boardroom.





SMSF
Association
Annual Report

Contents

Chair's Report	02
CEO's Report	04
Highlights	06
Strategic Objectives	08
Quality Professionals	12
Member Milestones	16
Engaged Trustees	20
Leading the Sector	22
Our Foundations	24
Our Board, Association and Advisory Committees	26
Corporate Governance Statements	28
Our Directors	32



Chair's Report

With 2019 drawing to a close there is no shortage of change – and opportunities – facing the superannuation industry, the SMSF sector, the Association and our membership. So, it was timely that a key focus of the Board this year has been devoted to drawing up the 2020-24 Strategic Plan for your Association.

A lot can happen in five years – just ask federal political leaders. When the last strategic plan was implemented in 2015, Tony Abbott was Prime Minister, but the year ended with Malcolm Turnbull residing in the Lodge and change certainly did not stop there. And it's not just political change; who was predicting a cash rate of less than one per cent five years ago and what that means for retirees looking for income?

The 2020-24 Strategic Plan is our road map for the next five years in the ever-changing world of superannuation and focuses on leading the SMSF sector, improving the quality of SMSF professionals and helping inform and educate SMSF trustees. A summary of the plan is shown later in this report.

Since 2003, when your Association was established, constant change has been the norm – one reason we have consistently argued for the legislating of a clear objective for superannuation as recommended by the Financial System Inquiry.

It is imperative we have a clear sense of strategic direction to guide us, yet, at the same time, recognising the need for flexibility as the environment that we all work in evolves and adapts to both regulatory and market changes.

It means your Association must strive to remain the premier voice of the SMSF sector, to have the ear of Government, Regulators and media, so that the policy positions we advocate always carry weight in the corridors of power.

Advocacy is somewhat akin to investing – yesterday's results are no guarantee of future returns. What your Association has achieved in the past does not ensure good outcomes for the SMSF community in the future; the challenges will keep coming, and we must remain vigilant to ensure we are prepared to meet them.

There's no better example than the current disruption within the advice industry. It's the Association's view that the new licensing standards not only need to be acknowledged but should be seen as an opportunity to support and grow our membership through initiatives such as the reshaped educational program.

Another potential instrument for change could flow from the Government's recent decision to establish an independent review of the Retirement Income System – a key recommendation of the Productivity Commission's comprehensive report.

"It is imperative we have a clear sense of strategic direction to guide us, yet, at the same time, recognising the need for flexibility as the environment that we all work in evolves and adapts to both regulatory and market changes."

This is an important initiative – one that is probably overdue because despite the strengths of our superannuation system and the way it interacts with social security and tax, we know it can be enhanced in ways that will help the retirement outcomes of all members of super funds, SMSF and APRA-regulated alike.

Let me end on a personal note. Our Patron, the Reverent Tim Costello, AO, stepped down in August. We are indebted to Tim for his involvement, particularly in the way he has encouraged us to have a broader vision about superannuation and the important role our super sector can play in giving back to the community in ways that can enrich the lives of all involved.

Earlier this year, we farewelled Andrea Slattery and Cath Mulcare as directors. Cath had served the Association in this role since 2015, while Andrea had served since 2013 in addition to her role as CEO from 2003 to 2017. The Board thanks both directors for their service and, in particular, thanks Andrea for her 17 years of service, including periods as CEO, Managing Director and most recently as director.

The Board also welcomed four new directors during the year, with the Hon. Bernie Ripoll being appointed in April, Tracey Scotchbrook and Michael Houlihan in June and Scott Hay-Bartlem in July. Each of these new directors brings skills and experience that will be invaluable to the Board as

it oversees the management of the Association and guides the future strategy. The Board plans to issue another call for Expressions of Interest from members early in 2020 to continue the process of Board renewal.

Finally, our best wishes and heartfelt thanks to the former Chair, Dr Deborah Ralston, who decided to step down from her role in order to devote her efforts to serving on the three-member committee the Government has set up to review the Retirement Income System.

Although we will miss Deborah's sage advice, we congratulate her on the appointment, knowing her skill set and experience make her an excellent choice for this committee that has the potential to have a major influence on how our retirement income system evolves in the coming years.

I would like to thank all my fellow board members for their support, our hard-working executive team under the leadership of CEO John Maroney, and, finally, to all our members whose commitment to the SMSF sector is beyond question.



Robin Bowerman
Chair

Chair's Report

**SMSF
Association
Annual Report**

3



**SMSF
Association**
Annual Report

4

CEO Report

The 2018-2019 year has certainly been a memorable year for your Association, including a federal election, the second SMSF Association SMSF + Investor Expo, the inaugural SMSF Week, the Financial Services Royal Commission Final Report, the Productivity Commission superannuation final report and the continuing implementation of the Financial Adviser Standards and Ethics Authority (FASEA) educational requirements and code of ethics. We have barely had time to grab our collective breath.

Your Association has also expended considerable resources in the past year improving our value proposition for our professional members, including enhancing educational pathways to achieve Specialist designations such as the SSA™ or SSAud@. We understand the importance of equipping you with the intellectual tools to better service your clients, especially in a post-Royal Commission world with the higher education, training and ethical standards implemented by FASEA.

We want to ensure our education systems either position you as an SMSF Specialist and help you maintain that designation or provide you with every assistance to become a Specialist. Hence, it was very pleasing that FASEA approved one subject credit for those who have already achieved the SSA™ designation or do so in the future.

When FASEA was established in April 2017 to set the new standards for financial advisers, it was in due recognition that the quality of advice to Australian consumers had to improve – a point your Association has constantly made. Reform is never easy, so we have consistently argued that the industry needs time to adjust.

So, it was pleasing that the Government was prepared to listen to industry concerns and allow an extra year to complete the FASEA-approved exam (1 January 2022) and two additional years to meet its qualification requirements (1 January 2026). The Association is confident these extensions will not, in any way, undermine the integrity of the reforms while giving the industry more time to adjust. Certainly, financial advisers are embracing the changes with the first sitting of the exams under the new FASEA guidelines achieving a 90% pass rate.

Events are a major part of the Association's year, and 2019 was no exception. We enjoyed another successful National Conference with more than 1,600 delegates taking time out of their busy schedules to attend. I think we can say with no fear of contradiction that it's the premier event for the SMSF sector. We are confident the 2020 event, being held on the Gold Coast for the first time, will be a similar success. The Technical Days in the five mainland capital cities also continue to draw strong support.



"We understand the importance of equipping you with the intellectual tools to better service your clients, especially in a post-Royal Commission world with the higher education, training and ethical standards implemented by FASEA."

It's important to note that November 2018 saw a first for your Association with the inaugural SMSF Week. It was an auspicious week of events and activities that were well attended with highlights being the launch of fresh research into key issues facing SMSFs including: suitability, cost effectiveness, franking credits, diversification and unmet advice needs. There was extensive media coverage (including a media roundtable focussed on the difficulties faced by accountants in providing support and advice to clients with SMSFs) and a webcast with Regulators and leading industry figures hosted by the ATO. The next SMSF Week is scheduled for June 2020 immediately before the third SMSF + Investor Expo in Melbourne.

The second two-day SMSF + Investor Expo (held in Melbourne in June) had the newly sworn-in Assistant Minister for Superannuation, Financial Services and Financial Technology, Senator Jane Hume, outline what the Coalition Government aims to achieve in superannuation and financial services over the next three years. It was an insightful address that set the tone for an event that attracted strong interest from the community and keen support from exhibitors.

We were very pleased to launch the new SMSF Connect website in March to replace the Trustee Knowledge Centre. SMSF Connect enables SMSF trustees to connect with the very latest SMSF knowledge, super news, investment information and independently accredited SMSF Specialists.

External events absorbed much of your Association's time and resources this year. In particular, this year's federal election in May saw Labor's proposal to cancel cash refunds for excess dividend imputation franking credits become a key issue in the campaign, with your Association arguing strongly that it unfairly targeted many retirees with SMSFs, and, if implemented, would force many of them to revise their retirement income and investment strategies. Since the election, Labor has indicated it will re-examine this policy, and we aim to work constructively with them to encourage them to discard or amend the policy to avoid the distortionary and inequitable consequences that the policy would have entailed.

We also had to come to grips with the aftermath of the Financial Services Royal Commission Final Report. Although the SMSF sector was specifically excluded from the inquiry, some of the issues raised are relevant to our sector, especially in relation to the quality and independence of advice. We encourage all parties to work constructively to ensure its recommendations are enshrined in legislation after appropriate consultation. Adequate time should be allowed for all those affected to adjust their business models without undue disruption to customers, especially those who could be disadvantaged by some of those recommendations by losing access to products or services they value.

We will continue to encourage all policymakers to support our efforts to enhance the integrity of the SMSF sector, so that it can continue to offer an attractive choice for many Australians to grow their retirement savings so that they can enjoy a secure and dignified retirement. We have shared our superannuation policy priorities with both the Government and the Opposition and will work closely with all policymakers over the year ahead on key issues, including the Retirement Income Review, and over the longer term.

Finally, let me end on a personal note. We were sorry this year to see our Head of Policy, Jordan George, resign to head back to the chillier climes of Canberra to re-join Treasury. Jordan gave the Association seven fruitful years and we will sorely miss his considered input.

In conclusion, I also thank all Board members, volunteers and Association staff for the contributions they have made to supporting the Association's activities during the year and helping protect and promote the credibility and health of a vibrant SMSF community.

Members, once again let me thank you for your commitment and loyalty to the Association. This is the foundation on which any success we enjoy is built.



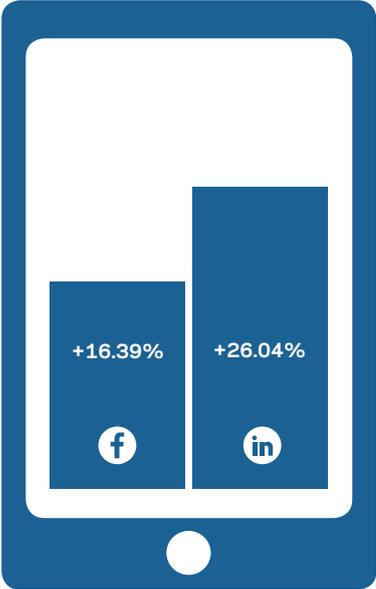
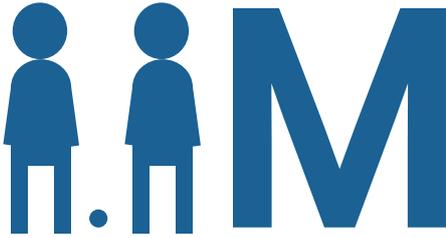
John Maroney
Chief Executive Officer

The Association has an active social media presence across LinkedIn, Facebook and Twitter with engaging updates and discussion on a regular basis.

SMSF
Association
Annual Report

Highlights

6



1,125,201 total number of SMSF members (ATO SMSF quarterly statistical report June 2019)

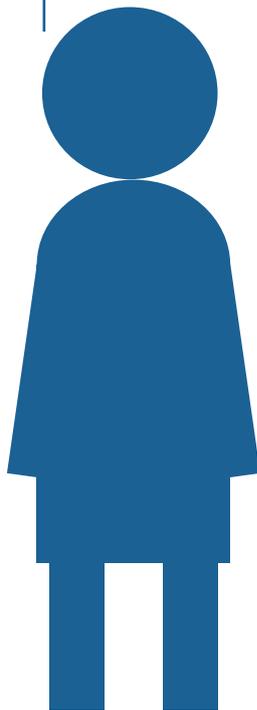
During the 2018 calendar year, we made 52 submissions to Government and Regulators.



SMSF + Investor Expo held in Melbourne with 1,092 attendees over two days, with 66% of attendees spending more than two hours at the Expo.



Technical Day Series for SMSF professionals travelled around the country (Beginning in Brisbane, then Perth, Melbourne, Adelaide and finishing in Sydney) during July and August 2019.



The Technical Research Service, since its official launch in March 2019, has answered over 200 queries on a range of SMSF topics.

Strategic Objectives

From 1 July 2019, the SMSF Association commenced a new 5 year Strategic Plan to focus on delivering more value for our professional members, to inform trustees and future trustees and ensure we continue to lead the SMSF sector.

Leading the Sector

The premier SMSF voice with Government, Regulators, policy makers and media to ensure a healthy and sustainable sector.

Quality Professionals

SMSF Specialists who provide appropriate, accurate and timely advice and support services.

Informed Trustees

Who receive relevant, accurate and timely information and resources to help them achieve quality of life in retirement.

Our Foundations

- People and Culture - a skilled, engaged and passionate workforce.
- Technology, Systems and Data - robust and efficient systems.
- Partnerships - grow and maintain strong commercial Strategic Partnerships while maintaining independence.
- Financial Capacity - creating and maintaining the financial capacity to pursue goals and objectives.

Key projects we will undertake over the next 12 months

- A refresh of the SMSF Association website to improve functionality and overall user experience.
- Deliver more technical content tailored to SMSF Specialists.
- Enhance the support and experience of progressing through the Specialist accreditation program.
- Co-branded content for professional members to provide to their SMSF clients via SMSF Connect.
- Grow our trustee community to inform and educate about the importance of seeking professional and specialist SMSF advice.
- Continue to develop relevant strategic partnerships to deliver on our core objectives.
- Deliver another successful SMSF Week.

Our key targets for the next 12 months

- Achieve a retention rate of 95% for Specialist members.
- Achieve 86% delegate satisfaction rate for National Conference 2020.
- Grow our engaged trustee community by 30%.
- Attract more than 1,500 delegates to the SMSF + Investor Expo to be held in Melbourne during June 2020.
- Delivered a financial surplus for the 2020 financial year.



To enable Australians to take greater control of their own destiny through a sustainable SMSF community

VISION

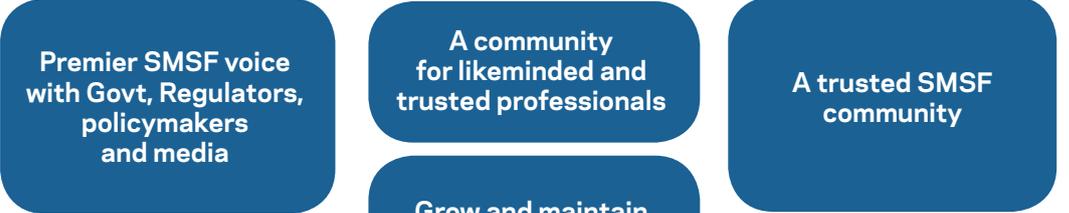


Leading the Sector

Quality Professionals

Engaged Trustees

FOCUS AREAS

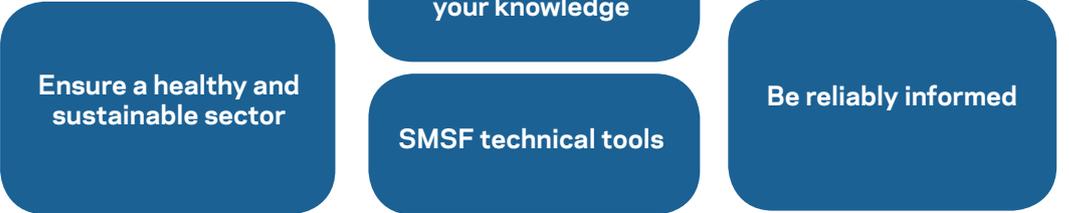


Premier SMSF voice with Govt, Regulators, policymakers and media

A community for likeminded and trusted professionals

A trusted SMSF community

STRATEGIC GOALS



Ensure a healthy and sustainable sector

Grow and maintain your knowledge

SMSF technical tools

Be reliably informed



People & Culture



Technology, Systems & Data



Financial Capacity



Partnerships

FOUNDATIONS

A photograph of a stage setup for a conference. In the foreground, a black microphone stand is positioned on the left, and a grey podium is on the right. The background is a large, illuminated wall with a complex, low-poly geometric pattern in shades of blue and purple. The text is overlaid on the upper left portion of the image.

1,630 attendees at the
SMSF Association National
Conference 2019 held at
the Melbourne Convention
& Exhibition Centre



Approximately 55% of Member Survey 2019 respondents advise on, audit or service more than 50 SMSFs.

SMSF Association
Annual Report

Quality Professionals

12

SMSF Association Membership as at 30 June 2019:

Membership type	% of total membership
Specialist	61.4%
Associate	35.1%
Affiliate	2.6%
Retired	0.9%

2019 Member Survey

Thank you to our valued members who provided feedback in our recent 2019 Member Survey. The responses assist us in ensuring we understand the expectations you have of us, as a professional Association.

Based on feedback in the 2018 Member Survey, we implemented:

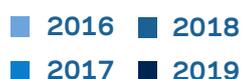
- Choice between a Daily or Weekly News email communication.
- Roll out of the Technical Research Service to all members.
- More affordable CPD opportunities including an increase in complimentary CPD options and cheaper webinars.
- A more tailored approach to email communications.

As a result of feedback in the 2019 Member Survey we will be looking to act on these in the short term:

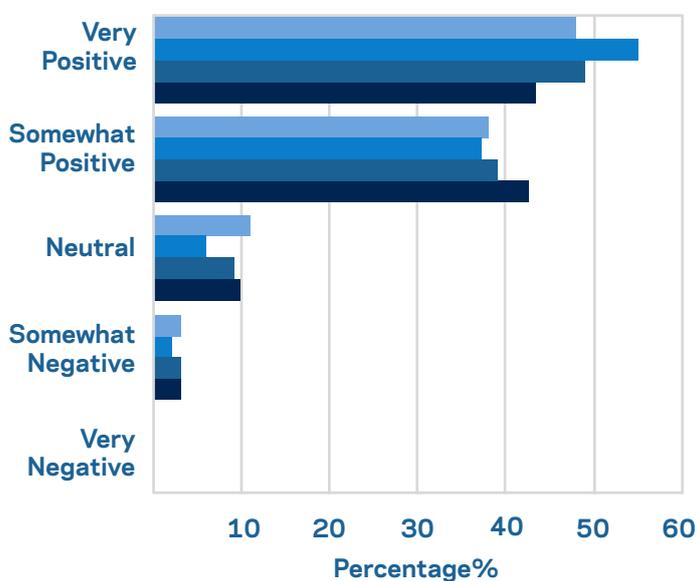
- Increase the number of complimentary webinars for members.
- Develop more audit specific CPD opportunities.
- Increase advertising to promote the need for Specialist advice for SMSFs.
- Develop additional tools for Specialists to market their expertise.
- Greater flexibility for future National Conferences.



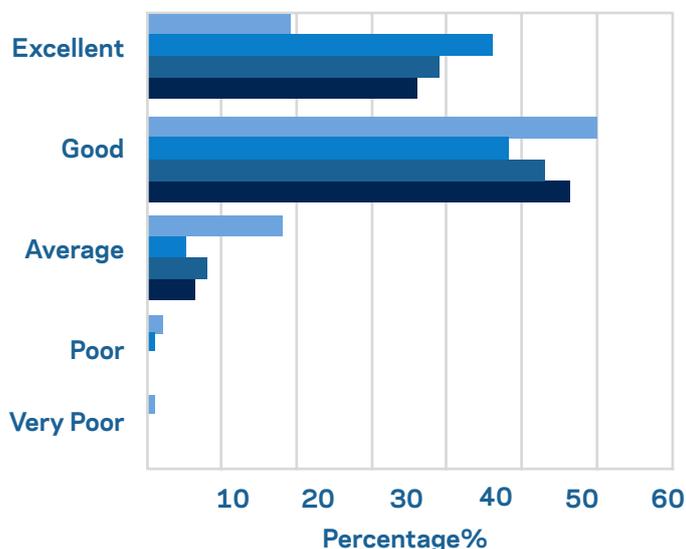
Key:



Perception of value of SMSF Association membership



How would you rate our customer service and responsiveness



Changes to the SMSF Association CPD Policy

All SMSF Association Associate and Specialist members are required, as a condition of ongoing membership, to achieve minimum levels of CPD hours in areas relevant to the provision of advice on SMSFs.

To respond to member feedback, better align ourselves with other professional Associations and to comply with FASEA Guidelines we have made a number of amendments to the Association's CPD Policy that came into effect on 1 July 2019.

The key amendments to the policy were:

- Change of CPD points to hours
- CPD year is now aligned with the financial year
- Amendments to the CPD requirements for each membership category, per the table below.

Membership Category	Minimum CPD hours each triennium	Minimum CPD hours each year (i.e. 1 July - 30 June)
Specialist Member	90	25
Associate Member	60	15
Affiliate Member	No CPD requirement	

Disciplinary actions against SMSF Association members failing to uphold professional standards

The SMSF Association is a self-regulating professional Association whose members voluntarily agree to be bound by various professional, technical and ethical standards as part of their membership.

SMSF Association members are required, at all times, to conduct themselves in a professional manner. These Conduct and Disciplinary Procedures are the expected minimum requirements of all of our members.

To uphold the level of professional conduct that we require of all our members, we keep up-to-date records of complaints and the action taken by the Association as determined by our Professional Standards Committee.

Nature of Complaint	2019/20 (YTD)	18/19	17/18
---------------------	---------------	-------	-------

Criminal conviction		2	
---------------------	--	---	--

Statutory offence bringing discredit to member, association or profession	1		
---	---	--	--

Failure to observe proper standard of professional care, skill and competence	1	3	1
---	---	---	---

Breach of Association Code of Conduct and Rules		18	10
---	--	----	----

Breach of Association Branding policy			
---------------------------------------	--	--	--

Other			
-------	--	--	--

Action taken by SMSF Association	2019/20 (YTD)	18/19	17/18
----------------------------------	---------------	-------	-------

Cancellation of Membership	1	11	2
----------------------------	---	----	---

Suspension of Specialist designation or Membership for a defined period		11	9
---	--	----	---

Reprimand			
-----------	--	--	--

Practice review			
-----------------	--	--	--

No action required	1		1
--------------------	---	--	---

Other		1	
-------	--	---	--

Investigation ongoing			
-----------------------	--	--	--





Plenary
Room 3
Legs & Regs Stream

We value all of our members, however we want to acknowledge those who are celebrating their 15 year membership anniversary with the SMSF Association during 2019.

The members listed have been great supporters of the Association over the years and we want to thank them for their ongoing loyalty.

**SMSF
Association**
Annual Report

**Member
Milestones**

16

**Celebrating
15 years with
the SMSF
Association**

Rayleen Ableson ▪ Belinda Aisbett ▪ Robert Allan ▪ Michael Badger ▪ Julian Battistella ▪ Wayne Billington ▪ Stephen Blake ▪ Anthony Bongiorno ▪ Terri Bradford ▪ Peter Bridle ▪ Alex Brown ▪ Peter Burgess ▪ Shane Butler ▪ Peter Caddy ▪ Jean Chin ▪ Kellie Clay ▪ Rosanne Cotter ▪ Brent Coxon ▪ Peter Crump ▪ Mirko Cugura ▪ Ron Doig ▪ Stephen Doulgeridis ▪ Luke Eres ▪ Rowan Fielke ▪ Solomon Forman ▪ Rodney Fox ▪ Andrew Frith ▪ Ronald Gauld ▪ Mark Geldens ▪ Michael Hallinan ▪ Warrick Hanley ▪ Martin Harkness ▪ Jacqueline Hodges ▪ Philippe Jaquillard ▪ Brett Kenny ▪ Stan Knysh ▪ Arthur Koo ▪ Wayne Lear ▪ Michael Lee ▪ Kieran Liston ▪ John Lomas ▪ Garth Lovelace ▪ Simon Makeham ▪ Philip Mason-Cox ▪ Brian McKean ▪ Roy Mcleod ▪ Louise Meijer ▪ Alan Morey ▪ Martin Murden ▪ Lynette Murray ▪ Max Newnham ▪ Ashley Nicol ▪ Craig Offenhauser ▪ Michelle Oswald ▪ Adam Passwell ▪ Peter Polgar ▪ Linda Roberts ▪ Sam Rotberg ▪ Shirley Schaefer ▪ Craig Serjeant ▪ Liz Shelley ▪ Phillip Smith ▪ Robert Snell ▪ Neil Sparks ▪ Julie Taylor ▪ Leonie Taylor ▪ Bradley Turnbull ▪ Kenneth Turner ▪ David Watkins ▪ Anna Wong ▪ Kylie Wright ▪ Alan Yensch





Self Managed
Super Fund
Association

Manage your super with confidence

We believe every
Australian has the right
to a good quality of life
and the control of their
super.

We're here to improve
the quality of advisors
and the knowledge of
trustees.

Join our SMSF
community and take
control of your
super destiny.



Congratulations to all SMSF Association members who have completed their Specialist accreditation with us over the past year

**SMSF
Association**
Annual Report

**Member
Milestones**

18

**SMSF
Association
Specialist
Advisor (SSA™)**

Tiffany Abel ▪ Shaikh Ahmed ▪ Kylie Alcorn ▪ Teagan Allman ▪
Lachlan Anderson ▪ David Anjou ▪ Mike Bennett ▪ Allister Blyth ▪
Yaw (Philip) Boadi ▪ Nicholas Bordi ▪ Ben Brackley ▪ Wade Britnell ▪
Amrit Budhrani ▪ Peter Campbell ▪ Sunil Chawla ▪ Jemma Clay ▪
Kevin Cooper ▪ Matthew Crofts ▪ Hayley Croke ▪ Timothy Cummins ▪
Anthony D'Alessandro ▪ Melissa Darmawan ▪ Stefanie Doriguzzi ▪
Joanne Douglas ▪ Mark Ducret ▪ Timothy Egger ▪ Cindy Excell ▪
Angelique Faes ▪ Devika Fernando ▪ Ha-Dieu Ford ▪ Peter Fowler ▪
Terese Gerges ▪ Claire Gill ▪ Lara Gill ▪ Jane Gillingham ▪ Esther Gu ▪
Brent Hagan ▪ Michelle Hallyburton ▪ Jack Hellman ▪ Justine Hendry ▪
Alex Hew ▪ Katrina Hinchliffe ▪ Jessie Hinds ▪ Satoko Hirose ▪
Timothy Hoban ▪ Yikai Hoe ▪ Tony Ikraan ▪ Sadi Islam ▪ Fiona Jeff ▪
Rebecca Jolly ▪ Teresa Jordan ▪ Rachel Kraft ▪ Danae Lacey ▪
Charles Larkin ▪ Robert Layfield ▪ Paul Li ▪ Xiudong Lu ▪ Luke Martin ▪
Doug McBirnie ▪ Dianna Mesiano ▪ Franco Morelli ▪ Calvin Nee ▪
Phi Nguyen ▪ Hannah Oakhill ▪ Graham Oates ▪ Adam O'Connor ▪
David Offer ▪ Oxana Ostapenko ▪ Ayten Ozder ▪ Jane Partington ▪
Andrew Perera ▪ Eloise Pettersson ▪ Lana Pittman ▪ Ben Plail ▪
Tom Power ▪ Sarah Pratten ▪ Natasha Pulman ▪ Karl Rayner ▪ Iain Reid ▪
Matthew Rencken ▪ Matthew Richardson ▪ Will Riley ▪ Angus Rodgers ▪
Glenn Russell ▪ Sha Sha ▪ Kushal Sharma ▪ Daniel Shaw ▪ Tui Silvester ▪
Matthew Skowronski ▪ Kelly Spiller ▪ Paul Stark ▪ Kim Stewart ▪
Vince Tan ▪ Suzana Taylor ▪ Kerry Taylor ▪ Robert Thomas ▪
Arthur Vekiarellis ▪ Anthea Wainman ▪ Fiona Wang ▪ Yipin Wang ▪
Catherine Wells ▪ Craig Wilkes ▪ Stuart Wilks ▪ Amy Wilson ▪
Ling Woollams ▪ Toni Wright ▪ Panbo Ye ▪ Sam Zeitoune



Lawrence Bushell ▪ Stephanie Cate ▪ Brent Connor ▪ Jonathan Forrest ▪
Narendra Kasandaria ▪ Barry Levin ▪ Jacklyn Li ▪ Stacey Morris ▪
Jace Pedonese

**SMSF Association
Specialist Auditor
(SSAud®)**

**SMSF
Association**
Annual Report

**Member
Milestones**

19



SMSF Association Annual Report

20

Engaged Trustees

Brand new website - SMSF Connect

We were delighted to launch our new trustee website, SMSF Connect (formerly Trustee Knowledge Centre) at the start of 2019. The new website is an important platform connecting self managed super fund trustees, and those thinking of starting a fund, with the very latest SMSF knowledge, super news, investment information and SMSF Association Specialists (via our Find a Specialist function).

Key research we have undertaken with our community of over 11,000 SMSF trustees highlights that this group are highly engaged with their fund but want information and to validate their decisions and navigate their way through.

SMSF Connect has attracted over 60,000 web sessions since launching in late February 2019.

We are always looking at ways that we can support our valued professional members in servicing your SMSF clients and we are conscious that educating your clients, particularly through periods of change, is a continued commitment of your time and resources. ASIC Report 575 further emphasised the importance of consumers making informed decisions regarding SMSFs. Through SMSF Connect, the SMSF Association is able to provide co-branded education resources for your organisation's website, enabling you to provide accurate and up-to-date SMSF information for your clients. We will be releasing more details on our new offering in late 2019.

SMSF + Investor Expo | Melbourne, June 2019

The SMSF Association SMSF + Investor Expo attracted over 1,000 engaged trustees to the Melbourne Convention and Exhibition Centre in June 2019 to hear educational sessions and meet with SMSF service and product providers all under the one roof. We received excellent engagement with 66% of attendees spending more than 2 hours at the Expo and 81 people as the average attendance at information sessions.

A number of our professional members exhibiting at the Expo came away with an exciting perspective and numerous business leads.

"It (the Expo) was a huge success and we're excited to begin helping new clients make the most out of the benefits that self-managed super funds have to offer."

Abdul El-dib SSA™, Director, Create & Protect Financial Planning

We look forward to bringing you more information on our next SMSF + Investor Expo being held in Melbourne in June 2020, and plans for Sydney later that year.



Over 11,000 SMSF trustees are part of our valued SMSF Community.

Inaugural SMSF Week | 19 - 23 November 2018

SMSF Week was one of our exciting initiatives with the goal of increasing awareness of SMSFs and the role of the SMSF Association, as well as providing informative resources and connecting engaged, unadvised SMSF trustees with appropriately qualified SMSF professionals.

Over the course of the Week, several activities took place including:

- Release of new national SMSF research with insights from SMSF investors and accompanying interactive road map showcasing each stage of the SMSF journey.
- A live-streamed Thought Leadership event featuring a panel of SMSF experts discussing 'The 5 year evolution: what's the next frontier for SMSFs?'
- A roundtable discussion attended by key stakeholders and trade media journalists as they discussed what lies ahead for accountants and SMSFs.

All of these activities were supported by engaging infographics and resources provided to our valued members, along with extensive media coverage (trade and mainstream) including a national TV interview.

Based on the success of our inaugural SMSF Week, we are planning to host our next SMSF Week in June 2020 with a greater focus on community engagement through events and associated activities.

Find a Specialist

Through our resources and communications to our valued trustee community, we promote the importance of SMSF Specialist advice when navigating their SMSF journey, especially in regards to complex issues. Our SMSF Specialist members are regularly profiled to this group of engaged trustees via our online Find a Specialist function.

On average, there are **100 visits to our online Find a Specialist function every month.**

Trustees are able to search for SMSF Specialists in their local area and can do so with the peace of mind that these Specialists have had their SMSF expertise and knowledge independently endorsed by the SMSF Association.

Engaged Trustees

SMSF Association
Annual Report

21



**A policy and
advocacy update**

**Jordan George, Head of Policy
(2015-2019), SMSF Association**

The past 12 months have been a busy time for the SMSF Association's Policy team with the Productivity Commission and Hayne Royal Commission reporting their findings, the FASEA education and ethics standards being finalised and the Federal Election in May 2019.

The Coalition Government was re-elected, with a small majority of seats in the House of Representatives, after a close campaign. The Association supports stability for the sector, particularly after the significant legislative changes which came into effect on 1 July 2017.

The Australian Labor Party's proposal to ban refundable franking credits was a major issue during the Federal Election campaign and one that the Association believed would have been unfair and inequitable on many low income shareholders, including SMSFs, had it been implemented. The Association's significant work with media and policymakers, which was supported by our professional and trustee members, was instrumental in ensuring the franking credit policy was an important election issue and well understood by the public.

Before the election, the Coalition Government announced a number of adjustments to the superannuation system that the Association had been advocating for to reduce red tape for SMSFs. These measures

include increasing the age at which the work test applies, increasing the maximum number of members of an SMSF to six, increased access to the non-concessional contribution bring-forward measures and red-tape reductions to the calculation of exempt current pension income.

A major policy effort over the past 12 months was focussed on the Association providing input to the Productivity Commission's (PC) Review of the superannuation system. Our focus was on a draft finding made by the PC that SMSFs needed a balance of at least \$1 million to be considered cost effective. Through working with industry partners and rigorous analysis of the PC's methodology, our submissions were successful in seeing the PC reduce this figure to \$500,000 but more importantly not recommend a minimum establishment balance for SMSFs. Our advocacy to the PC also saw the Commission recommend that SMSF advice be underpinned by specialist education requirements, a long-held policy position of the Association.

On that note, the final policy work on the FASEA standards occupied a significant portion of our efforts over the past 12 months. This culminated in successful advocacy for FASEA to recognise the SSA™ designation for recognised prior learning purposes, reducing FASEA obligations for our Specialist members.



"To reach these strategic goals we will once again rely upon our members to help guide our voice and shape the sector together."

Strategic Plan

As part of the Association's new Strategic Plan we are placing a renewed focus on leading the sector through being a premier SMSF voice with Government, Regulators, policy makers and media to ensure a healthy and sustainable sector.

To reach these strategic goals we will once again rely upon our members to help guide our voice and shape the sector together.

The Association's ongoing policy focus

With the PC and ASIC both supporting specialist SMSF education requirements be introduced by Government, the Association will continue to work with policy makers to raise the standards of SMSF advice, as we have always done over the past 16 years.

We will continue to advocate for more flexible and generous contribution limits, especially for people approaching retirement and continue our quest to reduce red-tape in the SMSF sector.

Finally, the Government's retirement income review will undoubtedly impact the SMSF sector and the Association will look to make a constructive contribution to this important review.

Strategic Plan and policy focus

SMSF Association
Annual Report

Leading the SMSF Sector

23

Financial Capacity: creating and maintaining the financial capacity to pursue goals and objectives.

Financial Results for 2019

\$78,521 surplus compared to **\$255,032** deficit in **2018**

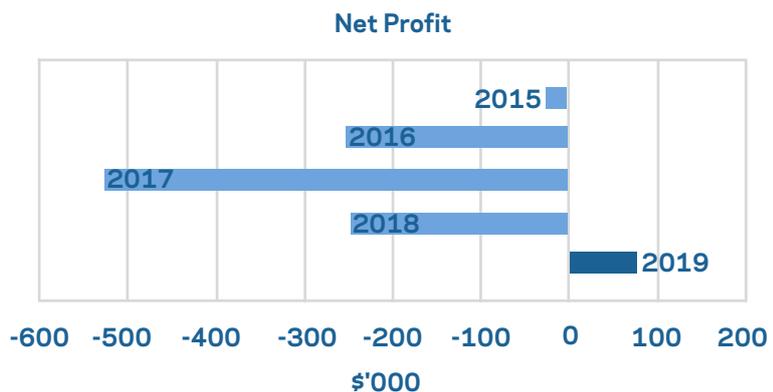
Revenue \$6.29 million compared to **\$6.22 million** in **2018**

Operating Expenses \$6.25 million compared to **\$6.49 million** in **2018**

People and Culture: a skilled, engaged and passionate workforce.

We promote an inclusive workplace spread across two offices in Adelaide and Sydney respectively.

86% of SMSF Association staff are engaged in their role and aligned with the Association's organisation goals, per the latest staff survey.



Technology, Systems and Data: robust and efficient systems

We are continually looking at ways to reinvest in the SMSF Association and SMSF Connect websites to ensure a seamless and efficient experience for our valued members. In 2019, we relaunched a new and improved trustee education resource, SMSF Connect.

From our 2019 Member Survey, 78% of respondents rated the user experience and performance of the SMSF Association website as good or excellent.

Partnerships: grow and maintain strong commercial Strategic Partnerships while maintaining independence

The SMSF Association maintains strong relationships with Regulators and Government. In particular, we have signed Memorandum of Understandings with the Australian Taxation Office (ATO) and industry bodies such as the Financial Planning Association of Australia (FPA) and the Institute of Public Accountants (IPA).

We are focussed on engaging with other industry and education partners over the next 12 months to further harmonise CPD requirements.

**SMSF
Association**
Annual Report

Our Foundations

25



The SMSF Association has a number of Board and Association Committees which supports the management and administration of the Association to help achieve its objectives.

We are grateful to these committee members and volunteers for their generous contribution and continued support.

SMSF

Association

Annual Report

Our Board, Association and Advisory Committees

26

Finance, Risk and Audit Committee

Andrew Hamilton - Chair

Josh Geers

Michael Houlihan

Brett Kenny

John Maroney

Tracey Scotchbrook

Governance, Nomination and Remuneration Committee

Robyn FitzRoy - Chair

Robin Bowerman

Josh Geers

Andrew Hamilton

Scott Hay-Bartlem

John Maroney

Public Policy Committee

Robin Bowerman - Chair

Jeremy Cooper

John Maroney

Hon. Bernie Ripoll

Tracey Scotchbrook

Association and Advisory Committees

National Membership Committee

Liam Shorte - Chair

David Allen

Leonie DiLorenzo

Lesley Faehse

Josh Geers

Con Gotsis

Brett Griffiths

Michael Houlihan

John Maroney

Craig Montgomery

Paul Salinas

David Smith

Julie Steed

Professional Standards Committee

Nathan Baker

Fiona Hinrichsen

Craig Montgomery

David Saul

Tracey Scotchbrook

Education Committee

Peter Hogan - Chair

Belinda Aisbett

Louise Biti

Neal Dallas

Julie Taylor

Regulatory Panel

Peter Hogan - Chair

Bryan Ashenden

Peter Burgess

Dan Butler

Peter Crump

Craig Day

Melanie Dunn

Caroline Harley

Lisa Papacristoforos

Jemma Sanderson

Julie Steed

Rebecca van Langenberg

Liz Westover

National Conference Technical Program Committee

Peter Hogan - Chair

Bryan Ashenden

Craig Day

Mark Ellem

Scott Hay-Bartlem

Tarun Malhotra

Leigh Mansell

Franco Morelli

Jemma Sanderson

Mary Simmons

Tamara Vermeend





The SMSF Association Ltd follows the AICD Not-For-Profit Governance Principles promoting good governance for Not-for-Profit Organisations.

SMSF
Association
Annual Report

28

Corporate
Governance
Statement

1. 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 five years and are reviewed at least annually by the Board and executive team. As part of the Board's decision-making process consideration is given to the impact and alignment with the Association's strategy. The Association's vision, mission and beliefs are made available via the Association's website.

2. Roles and Responsibilities

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 and reviewing the Association's short & long-term strategies
- Approval of budgets
- Appointment and 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.

3. Board Composition

The Board is comprised of up to nine non-executive Directors who are appointed to three-year terms. Directors may 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 Governance, Nomination and Remuneration Committee (GNRC) 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 two approaches to fill vacant director positions; an Expression of Interest process is conducted within the membership to ensure that members with appropriate skill sets are represented at a Board level; direct appointment using a fit-for-purpose approach is also adopted to ensure the selection of the most appropriate skillsets within the Association's resource constraints where a specific skill requirement exists.

The GNRC must include at least two Board nominated independent non-executive directors, and the Board may appoint one or more external non-Board members provided they have suitable qualifications and experience.

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.

4. Board Effectiveness

The Board meets five times each calendar year and undertakes annual Board performance reviews. Every second year these are conducted by an independent external party. Where required circular resolutions may be used to ensure decisions are made in an effective and timely manner.

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

Minutes and action items are taken by the minute secretary and approved as an accurate record of the meeting at the subsequent meeting.

5. Risk Management

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 of risk. This is reviewed regularly by the Board as part of the monitoring of the Association's strategy.

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 Finance, Risk and Audit Committee and at each Board meeting.

6. Performance

Organisational performance is assessed against several financial and non-financial performance indicators that are determined as part of the strategic planning process. To ensure a balanced approach to performance management these are categorised against the Focus areas within the strategic plan and the foundations of the Association, being, People and Culture, Strategic Partnerships, Technology and Systems and Financial.

The Board approves an annual budget for the Association which the Finance, Risk and Audit Committee regularly reviews against actual performance and provides reports to the Board.

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

Remuneration of the CEO is regularly reviewed to ensure it is in line with relevant market rates, expectations of members and based on the independent advice received by

the Governance, 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.

7. Accountability and Transparency

All the key documents outlining the governance of the Association and its expectations of members are available on the Association's website. The Board regularly communicates to the membership on any relevant outcomes of Board meetings and regularly consults with the Membership Committee on decisions or issues impacting on the Membership.

Remuneration for the Board is determined by the Governance, Nomination and Remuneration Committee. Any changes to Board remuneration are subject to approval at the AGM in accordance with the Constitution

The Board's Finance, Risk and Audit Committee is responsible for assisting the Board in ensuring integrity in the Association's financial reporting. Committee members must include two independent non-executive Directors who have an appropriate

level of financial literacy. The Board may appoint additional non-Board members provided they have suitable qualifications and experience.

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

The Association engages an external Auditor whose performance is reviewed on an annual basis.

8. Stakeholder 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.

9. Conduct and compliance

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.

The Board delegates authority to the Professional Standards Committee to manage the process and investigate any complaints of misconduct or other compliance issues involving the Association or its members.

10. Culture

The Board through the strategic planning process has developed and oversees a set of clear values that align with the strategy and the culture of the Association. The Association conducts twice yearly surveys of staff to monitor the culture as well as a six monthly performance management cycle.

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.





Qualifications

Member of the Australian Institute of Company Directors.

Experience

Head of Corporate Affairs 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

Chair (October 2019)
Vice Chair (until October 2019)
Chair of the Public Policy Committee
Member of the Governance, Nomination and Remuneration Committee

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

Vice Chair (October 2019)
Chair of the Finance, Risk and Audit Committee
Member of the Governance, Nomination and Remuneration Committee



Robyn Louise FitzRoy

Qualifications

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

Experience

Robyn has over twenty 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 Bank and Diversa Trustees Ltd. 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

Chair of the Governance, Nomination and Remuneration Committee



William Edward Shorte (Liam)

Qualifications

Bachelor of Business in Accounting & Economics, Advanced Diploma Financial Services (Financial Planning), ASX Accredited Listed Products Adviser (ALPA); SMSF Association SMSF Specialist Advisor.

Experience

Liam has been providing strategic advice on superannuation, retirement, insurance, estate planning, investment and tax strategies for the past 28 years with experience and knowledge gained from working in banking, insurance, accounting and financial planning firms.

Special responsibilities

Director (Appointed 1 September 2018)

Chair of the National Membership Committee



Bernard Fernand Ripoll

Qualifications

Electrician, Business Degree in Marketing

Experience

Former Member of the Federal Parliament from 1998 to 2016. Served as the Parliamentary Secretary to the Treasurer with responsibility for Financial Services, the Australian Securities and Investments Commission, the Australian Bureau of Statistics and other agencies within the Treasury portfolio. Shadow Minister for Financial Services and Superannuation, and Small Business and Sport. Represented the Commonwealth Government in an international capacity as the alternate delegate to the Asian Development Bank and lead a number of official parliamentary and government delegations. Chaired the Parliamentary Joint Committee on Corporations and Financial Services leading to the delivery of many reports and in particular work that led to the reforms of the Future of Financial Advice legislation (FoFA). A Non-executive Director on a variety of public and private sector boards

Special responsibilities

Director (Appointed 16 April 2019)

Member of the Public Policy Committee



Qualifications

CA, Public Practice Certificate, SMSF Specialist of Chartered Accountants Australia and New Zealand, Master of Taxation, Chartered Tax Adviser of the Tax Institute, Member of CPA Australia, CPA Australia SMSF Specialist, Bachelor Business Accounting, Graduate Diploma Financial Planning, Graduate of the Australian Institute of Company Directors, SMSF Association SMSF Specialist Advisor.

Experience

Tracey is a specialist in self-managed superannuation specialising in taxation, technical compliance, and strategic advice to SMSF trustees. Tracey also works in collaboration with accountants and financial advisers to assist their clients with complex SMSF and superannuation matters. Tracey has been actively involved in the SMSF sector for over 15 years and is a regular presenter to industry professionals and trustees, commentator, educator, and writer.

Special responsibilities

- Director (Appointed 1 June 2019)
- Member of the Finance, Risk and Audit Committee
- Member of the Public Policy Committee

Qualifications

Diploma of Superannuation Management, Graduate Certificate of Business Administration, Member of Australian Institute of Company Directors, SMSF Association SMSF Specialist Advisor, Justice of the Peace.

Experience

Michael's professional experience includes more than 30 years of senior leadership in superannuation and financial services, holding roles including Head of Product and Technical Services at both JBWere Investment Management and Vanguard Investments Australia, Senior Consultant and Administration Manager at Buck Consultants and Senior Administrator at Australian Eagle Insurance. Michael's other interests include being the CEO of Mainstream Group subsidiary Mainstream Superannuation Services since 2010, incorporating the role of CEO of Combined Super, an industry fund for independent schools. Michael is also a Non-Executive Director of Evergreen Consultants, a boutique asset consulting business and the Chair of Eltham College.

Special responsibilities

- Director (Appointed 1 June 2019)
- Member of the Finance, Risk and Audit Committee





Scott Peter Hay-Bartlem

Qualifications

Bachelor of Laws (Hons), Bachelor of Business (Accy)

Diploma of Superannuation Management. Foundation Diploma of Financial Planning, Chartered Tax Adviser, Trust and Estate Practitioner, SMSF Association SMSF Specialist Advisor.

Experience

Lawyer, specialising for more than 20 years in assisting clients and their other advisers including accountants and financial planners with tax and superannuation (particularly SMSFs) advice; estate planning, administration and disputes; family businesses, business structuring; business succession arrangements; asset protection and restructuring. Scott has a particular interest in how these areas intersect with self-managed superannuation funds and the impact of and on these structures.

Special responsibilities

Director (Appointed 1 July 2019)

Member of the National Conference Committee

Member of the Governance, Nomination and Remuneration Committee



Dr 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, is a non-executive Director of SuperEd and U Ethical, and is a member of the YBF Fintech Hub Advisory Board. She is also a Professorial Fellow at Monash University with research interests in superannuation, regulation and innovation.

Special responsibilities

Chair (Resigned 3 October 2019)

Member of the Public Policy Committee (Resigned 3 October 2019)

Member of the Finance, Risk and Audit Committee (Resigned 3 October 2019)



Andrea Elizabeth Slattery

Qualifications

Masters in Commerce, Bachelor of Arts in Accountancy, Member of CPA Australia, CPA Australia Financial Planning Specialist, Fellow of the Australian Institute of Company Directors and SMSF Association SMSF Specialist Advisor, Harvard Business School – Corporate Director Certificate.

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, renewable energy & education. Andrea is a keynote speaker and is recognised as a senior thought leader, influencer and transformational change agent in Australia.

Special responsibilities

Director (Resigned 18 April 2019)

Member of the Public Policy Committee (Resigned 18 April 2019)



Qualifications

Bachelor of Economics, Fellow of Chartered Accountants Australia and New Zealand.

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 (Resigned 31 March 2019)

Chair of the Finance and Audit Committee (Resigned 31 March 2019)

Member of the Governance and Risk Committee (Resigned 31 March 2019)

Qualifications

Certified Financial Planner, Fellow of the Institute of Actuaries of Australia, Bachelor of Arts majoring in Actuarial Studies, 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 (Retired 21 November 2018)

Chair of the Governance and Risk Committee (Retired 21 November 2018)



Brett Nicholas Kenny

Qualifications

Bachelor of Economics, Fellow of Chartered Accountants Australia and New Zealand, 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.issues.

Special responsibilities

Director (Retired 21 November 2018)

Chair of the Finance and Audit Committee (Retired 21 November 2018)

Chair of the National Membership Committee (Retired 21 November 2018)

Member of the Finance, Risk and Audit Committee

SMSF Association
08 8205 1900
enquiries@smsfassociation.com
smsfassociation.com