

# 2015 Annual Report



Self Managed  
Super Fund  
Association

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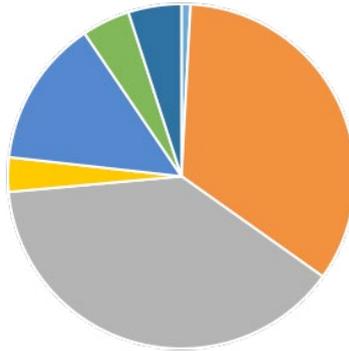
# 2015 Sector Highlights

BY 2033, SMSF ASSETS ARE PROJECTED TO REACH

# \$2.23 TRILLION

**SMSFS PAY**  
**93%**  
OF THEIR  
BENEFITS AS  
**INCOME STREAMS**

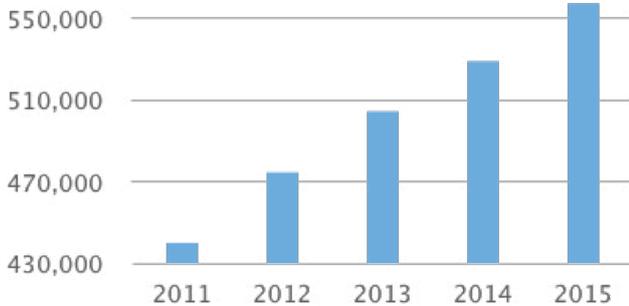
## SMSF Asset Allocation



Cash, term deposits and bonds	<b>34%</b>
Direct overseas assets	<b>1%</b>
Other assets	<b>5%</b>
Residential property	<b>4%</b>
Commercial property	<b>14%</b>
LRBA's	<b>2%</b>
Listed shares	<b>40%</b>

**SMSF BALANCES HAVE INCREASED BY 31% OVER THE PAST 6 YEARS**

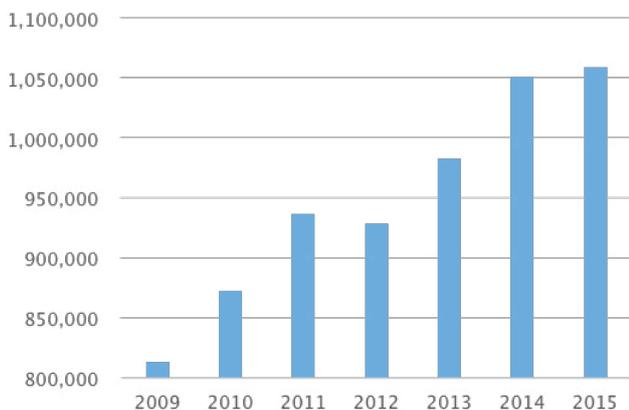
## Total number of SMSFs



**SMSFs represent**  
**29%**  
of current  
**Superannuation**  
**balances**

Over the past 7 years, **SMSFs outperformed APRA funds by 0.64%** averaging 4.33% per annum

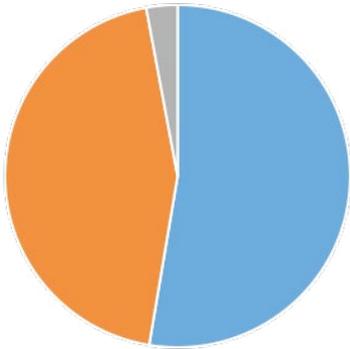
## SMSF Average Fund Balance



**2560**  
NEW SMSFS  
CREATED  
EVERY MONTH

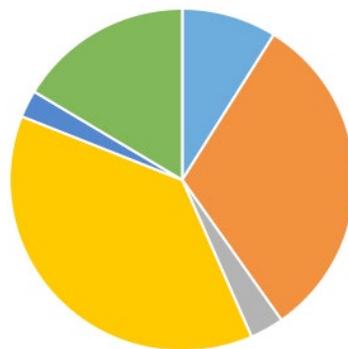
# SMSF Association Highlights

Member Categories



Specialists	53%
Associates	44%
Other	3%

Membership by Profession



Financial Planner	38%
Accountant/Tax Agent	38%
Accountant/ Financial Planner	9%
Other	16%
Lawyer	3%
Auditor	3%

**97%** retention rate of our Specialists

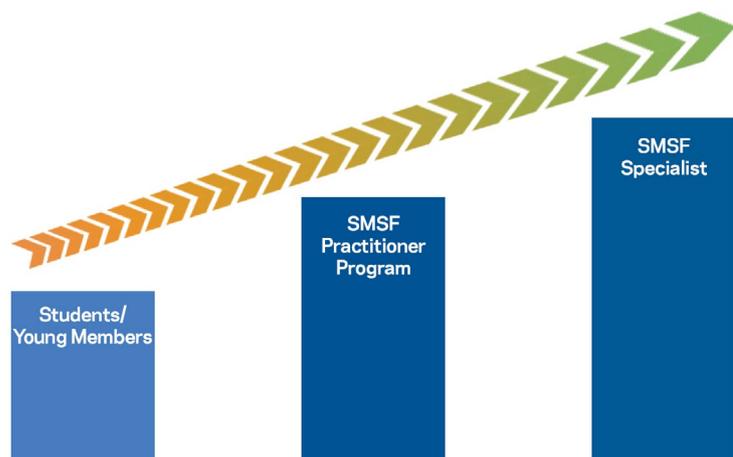
**82,329** the word count of total submissions to Government and Regulators



During 2015 SMSF Association Social Media Connections increased by more than

**86%**

## COMPREHENSIVE PATHWAY TO BUILD AN SMSF CAREER



# CEO Report

As our mission statement says, we strongly believe that every Australian has the right to control their own retirement destiny and that an SMSF is a legitimate way to achieve this outcome.

The Association's leadership role has been the natural state of affairs since we were established in 2003. We have worked tirelessly with government and regulators to build an understanding of the importance of the SMSF sector within the Financial Services system and also its importance for our national prosperity.

It's this history coupled with our success in advocacy that imbues me with confidence that together we can meet the future opportunities – and any challenges – that will arise. As the peak body representing the SMSF sector, we all have an enormous responsibility to ensure its ongoing viability. Trustees and members have committed to taking personal responsibility for their retirement incomes, and we have committed to help them, in every possible way, to reach this goal.

There will be challenges. The Federal Government has put superannuation tax incentives, otherwise known as tax concessions, back on the table and investment markets are likely to remain volatile, continuing to challenge trustees and SMSF advisors. But these challenges are far outweighed by the opportunities that spring from the sector's growth, increasing demand for SMSF specialists, heightened



consumer awareness and, in the future, the export of our collective skills and knowledge.

We started the year by developing a targeted national marketing campaign to engage trustees on why it is important to seek out an SMSF Association Specialist. Research conducted to inform the campaign challenged us in a number of ways, none more than how the SPAA brand was perceived by the broader superannuation community, resulting in our name change to the SMSF Association earlier this year.

The 2015 National Conference was refreshed with a new Lifecycle focus to help delegates understand the self-managed super fund lifecycle of accumulation, transition and drawdown. In particular, the significant leadership role that the SMSF sector plays in demonstrating a robust drawdown phase which provides government with surety that our super system is working well and provides guidance to future policy settings.

We said we would improve our member engagement by introducing improved methods of 'really listening to and evaluating' your feedback as our members. Our net promoter score (NPS) surveys enable us to evaluate member satisfaction and the likelihood of you highly referring the value of membership with the SMSF Association to peers, clients and stakeholders. I would like to thank the 700+ members that responded to our annual survey in September which will inform our planning and engagement with you over the next 12 months.

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*"We have another exciting year as we continue to build the 'SMSF Profession' and our position as the recognised leader in the SMSF space"*

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Your Board is in the process of formulating a Strategic Plan and Vision statement that will take our organisation through to 2020. There is a vital need for our vision to lead our organisation in developing innovative approaches that continue to realise long term benefits through adding value both now and well into our future. The more things change in our industry, the more we need a vision that will continually give us our bearings no matter how positive or stormy the political, economic or business environment.

We have another exciting year as we continue to build the 'SMSF Profession' and our position as the recognised leader in the SMSF space. But just as self-managed superannuation is continually evolving, so too must the SMSF Association to ensure we give our members all the support they need to remain at the forefront of our exciting industry.

With your support and commitment to excellence as members of the SMSF Association we will continue to deliver a healthy SMSF sector that underpins a robust and integral Australian retirement system.



**Andrea Slattery** SSA™  
Managing Director/ 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 Values

LEADERSHIP	PROFESSIONALISM	INTEGRITY	SUSTAINABILITY
Influence	Knowledge	Reliability	Innovative
Strategic	Intelligence	Ethical	Enabler

# 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 centre

Drive an exceptional client experience for all members and stakeholders



### Employees

A skilled, passionate and engaged work force



### Strategic Partnership

Sustain and grow strong mutually and financially beneficial partnerships

# Leading the SMSF Sector

## Advocacy

- The government's response to the Financial System Inquiry left SMSFs untouched and confirmed that there would be no changes to the rules for limited recourse borrowing arrangements (LRBA). The arrangements for LRBA's will be reviewed in three years. The SMSF Association has published best practice guidelines for lenders and advisors who advise on LRBA's.
- The government has also accepted the Murray Committee's proposal to seek broad agreement that the objectives of the superannuation system be included in legislation. The SMSF Association believes that if the legislation is enacted it will ensure greater stability of the superannuation system and act as a guide to industry, regulators and policy makers.
- Work is ongoing with the Parliamentary Joint Committee (PJC) on Corporations and Financial Services to lift the education standards of advisers and provide recognition of an emerging SMSF Profession.

## Education

During 2015 we have focused on delivering quality technical content across a range of formats to give our members options to continue their professional development including the following:

- Successful 2015 National Conference - our biggest yet! The 2016 National Conference will see further enhancements including an increase in the number of technical sessions on day one; limited capacity Specialist member only workshops and the inclusion of the Thought Leadership Breakfast in the conference program;
- Launched the SMSF Practitioner (SSP) designation
- Launched the new 'Master Class' as an alternate learning format for our members
- Record numbers for our series of State Technical Conferences; and
- Utilising the skills and expertise within our membership to assist in providing education to the wider membership base

## Professionalism

As part of our ongoing commitment to professional excellence CPD reviews were conducted on 10% of the membership. 91% of those reviewed met their CPD requirements. The table below records the disciplinary action taken by the Association against those members where a complaint has been made.

ACTION TAKEN	2015/2016	2014/2015	2013/2014
Cancellation of Membership	1	0	1
Suspension of Specialist designation or Membership for a defined period	1	1	0
Reprimand	0	4	5
Practice Review	0	1	0
No action required	0	1	2
Other	0	0	0
Investigation Ongoing	3	3	2

## Research

The fifth in the annual series Intimate with Self-Managed Superannuation found trustees see SMSFs not so much as a do-it-yourself option but rather a help-me-do-it solution for superannuation savings.

“Encouragingly for advisors, the research suggests the most common barriers to SMSF setup by non-trustees are not knowing enough about SMSFs (38.0 % vs. 35.3% in 2013), balance size not justifying an SMSF (32.3 % vs 33.7 %) and too much hassle (30.6% vs 28.8%).

Notwithstanding these barriers, however, close to one in five (18.6 %) non-trustees with a lack of knowledge or other constraints around setting up an SMSF would consider establishing one if an accountant or financial planner could assist them in better understanding SMSFs.

## SMSF Trustees

Following feedback, 2015 saw the Association adopt a number of initiatives for SMSF Trustees. These include:

- Awareness campaign to highlight to trustees the expertise of our SMSF Specialists
- Approval by the ATO of the SMSF Trustee Education Program to better educate trustees and to satisfy ATO Trustee Directives
- Development of further education resources and fact sheets to better equip trustees

We are looking forward to sharing further initiatives over the coming 12 months to engage trustees and highlight the skills of our members.

# Member Services

Our members are the core of why we exist. We are always striving to evolve to deliver new products and services to meet our members' changing needs.

## 2015 Membership survey

This year saw the recommencement of our new annual member survey. We have made a commitment to continue regular surveys of our membership to develop our services.

This year's survey:

- Completed by 700 members
- Contained 24 Questions focusing on member benefits and education
- Introduced a Net Promotor Score to measure member satisfaction.

## Some initial observations

- Over 85% of our members are positive about the value of being a member
- The most valued benefit is our professional development and education program
- 75% of members think we are doing very well in our communications with the Technically Speaking providing the greatest value
- The biggest challenges facing our members and the industry is the prospect of legislative change, time constraints and keeping up to date with SMSF knowledge
- Members would value further CPD options, more technical resources and continuing brand development

## Focus for the next 12 months

Some changes we have commenced as result of your feedback:

- Develop strong Brand awareness *with your help*
- Improvements to member communications including a roll out of more Technically Speaking articles
- A redesign of the Association website to improve technical resources and make it easier to meet member's needs
- Future marketing campaigns to promote our members to trustees
- A comprehensive 2016 CPD calendar based on areas of interest from the survey

Keep your eye out for further changes over the coming months.