



Contents

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Nexia Edwards Marshall
Level 3, 150 Flinders Street
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Annual General Meeting

The SMSF Association's Annual General Meeting will be held on Wednesday 18 November 2020 at 4:30pm (ACDT) in the SMSF Association Boardroom, Level 3, 70 Pirie Street in Adelaide.
The AGM will be accessible to members as a virtual meeting only. Further details are contained in the SMSF Association 2020 Member Notice.



Chair's Report – Andrew Hamilton	03
CEO's Report – John Maroney	05
Strategic Objectives	07
Quality Professionals	09
Fellow Members	11
15 Year Membership Milestones	13
Recently Accredited SMSF Association Members	15
Engaged Trustees	17
Leading the Sector	19
Foundations	21
Our Board, Association and Advisory Committees	23
Corporate Governance Statement	25
Our Directors	29



After an auspicious start to the year with a highly successful National Conference being held, for the first time, on the Gold Coast, the country soon found itself mired in the medical, social and economic repercussions of COVID-19. The consequences have been dire for many, especially young people losing jobs and having their study disrupted, and the elderly, who are tragically far more vulnerable to this insidious virus.

Our superannuation sector, obviously, has not been immune. Members have faced enormous challenges meeting the many and varied demands of their clients. In your Association's 17-year history, there has never been a time like it, and that includes the Global Financial Crisis (GFC).

Yet as 2020 draws to an end, I look back with pride at what's been achieved. Much has been demanded of our members – and they have not been found wanting. All the anecdotal evidence suggests the SMSF sector remains vibrant, stable, and, most importantly, an attractive option for people wanting to adopt this superannuation model.

What this crisis has done, no different to the GFC, is to reinforce the importance of SMSFs having access to quality professional advice – the best antidote to SMSFs making rash decisions in volatile times with disastrous long-term outcomes. As an aside, availing all Australians of affordable, non-conflicted advice should be a priority of all political parties, and your Association is certainly playing its part to bring about this state of affairs.

That members have risen to the occasion in this tumultuous year does not surprise me. Quite the contrary. It means the focus your Association has always had on nurturing professionalism among all those who advise SMSFs continues to pay dividends. This is why we will never step back from fostering a professional approach, knowing it's the foundation

stone of this sector's well-being and the 1.1 million people who rely on it to deliver the best outcome for them in retirement.

We understand that there are times when our position on certain issues pertaining to professionalism can put us at odds with some members. For this we make no apologies. We see the Association as the standard bearer for our sector, firmly convinced that the professionalism being nurtured is our ultimate safeguard for the viability of SMSFs.

Indeed, the more you embrace professionalism, the higher the standards you demand of yourselves in all client relationships, the less reason Regulators have to impose these standards, an outcome, we believe, all members would want.

Finally, on behalf of the Board, I would like to thank our team, the extended army of volunteers who generously dedicate their time and efforts 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 Hamilton
Chair

For the first time your Association chose to hold this year's National Conference outside a capital city, opting for the pleasant climate of the Gold Coast. We did so with some trepidation, but any doubts we entertained were swept aside with the event proving to be an enormous success with delegates, speakers and sponsors alike.

Within weeks of the National Conference ending, we were faced with the stark reality that the first wave of the global pandemic, COVID-19, was enveloping Australia, and that the consequences would be dire. Lives lost, businesses shutting down, unemployment queues lengthening (the young were hardest hit), national and state borders closing, and government economic relief packages on a scale never seen before; this was the new norm.

Quite clearly the SMSF sector would be affected, especially with extreme market volatility accompanying the mounting economic cost of the pandemic (the bellwether S&P/ASX 200 index fell 37% between 20 February and 23 March). Your Association had to act quickly and responsibly, and I think we did just that, whether in an individual capacity or in partnership with other professional bodies. As Peter Burgess succinctly outlines on page 19 of this Annual Report, we played a significant role in the implementation of government initiatives aimed at ameliorating the worst effects of this pandemic-induced recession on our superannuation sector.

It has not been an easy task. Like most businesses, your Association had to adapt to working remotely, while keeping the wheels in motion via a different workplace structure. Although this was important internally, it was even more so when it came to virtual events such as the Technical Day and Trustee event.

It's a tribute to our Events team that both the Technical Day held in late July and the Trustee event in late August, went off with barely a hitch. Events are an important part of the Association's year, so, despite the restrictions on face-to-face contact and travel, it was imperative we were able to deliver them virtually.

Technical Day assumed greater importance than ever this year because of all the COVID-19-induced changes. Our members wanted to be kept up to date with the latest information with which to brief their clients. The end result was a full exhibition area for sponsors that allowed for virtual networking, a comprehensive technical program, a Thought Leadership session – a first for a Technical Day – and concurrent sessions. The quality of speakers, as always, was first class.

Similarly, the Trustee event gave SMSF members the opportunity to be better informed about what is happening from a range of impressive speakers, and, again, the feedback was positive. Both events give us great confidence that our upcoming events, the November virtual SMSF + Investor Expo, which allows our SMSF specialists to engage with trustees, and the National Conference in February 2021, can be successful.

The decision to make the National Conference, which was returning to Melbourne next year, a virtual event was delayed until the last moment, and then done with a heavy heart. We know what this pre-eminent annual event means to so many of our members, and not just for the educational opportunities it affords. The networking, the social events, the exhibitors, all combine to make it an obligatory entry in the diaries of so many members. I urge you all to attend next year as your Association is making every effort to ensure it will be the virtual highlight of the year.

Although COVID-19 has obviously demanded much of our attention this year, the educational needs of members have not been forgotten. We launched a fresh set of modules to better educate SMSF professionals, as well as re-launching our SMSF Knowledge Compass to assist those wanting to self-assess and benchmark their expertise.

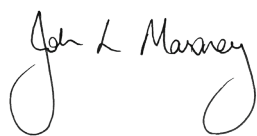
The nine new education modules, focusing on different topics with the latest information and resources, offer an exciting user experience, as well as providing a flexible approach to entering the SSA™ program with 12 months to complete it.

In such a turbulent year it was good news to be able to welcome Peter Burgess back to the fold as Deputy CEO / Director of Policy & Education. Peter, who is well known to many of you, is a welcome addition with his undoubted knowledge and experience of all things SMSF.

We sadly farewellled Peter Hogan who retired after many years of service to our superannuation sector and wish him all the best for the future. I think it's fair to say there are very few people in our SMSF world who have contributed as much to the professional growth of the sector over so many years and have done it in such a courteous and friendly manner. Peter's counsel will be sorely missed.

My thanks to the Board for their invaluable advice and dedicated service. COVID-19 demanded more of their time and effort in 2020, all of which was willingly given. Also, to our excellent staff, Committee members, and all those volunteers, who so freely give of their time, my heartfelt thanks for all your work in what has been a very demanding year.

Finally, to our members, who I suspect will not look back on 2020 fondly. However, I think you can look back with deep satisfaction of a job well done, for your clients and businesses. To you and your families, have a Merry Christmas and look forward, hopefully, to a far less stressful 2021.



John Maroney
Chief Executive Officer



Strategic Objectives

7

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 both existing and future trustees and to 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 to trustees.

Engaged 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
- Financial Capacity – creating and maintaining the financial capacity to pursue goals and objectives
- Partnerships – grow and maintain strong commercial Strategic Partnerships while maintaining independence

Key projects completed under the Strategic Plan thus far:

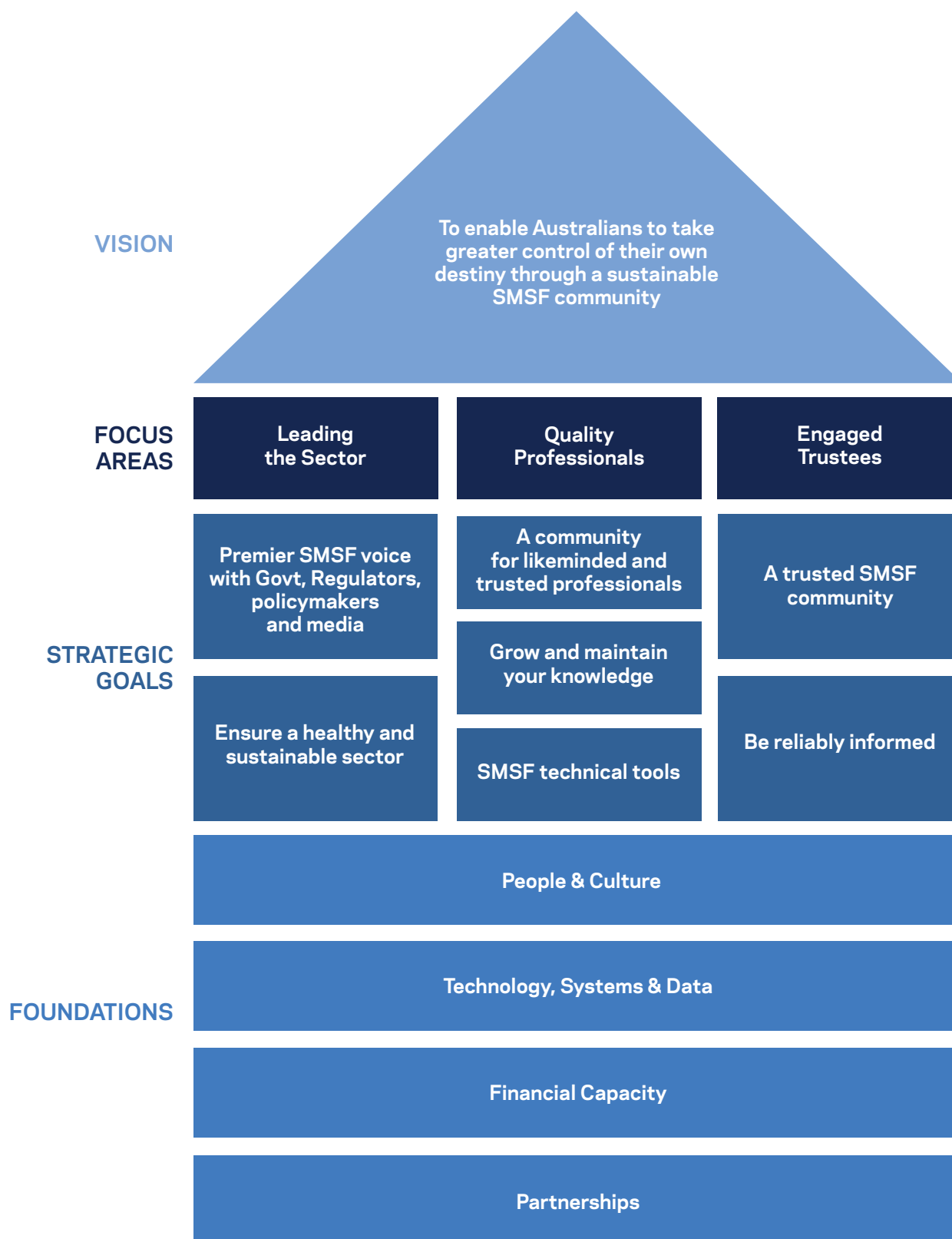
- Launched a brand new SMSF Association website with improved design, functionality and overall user experience particularly in regard to the Resource Library and Member Dashboard.

- Delivered a financial surplus of \$458,934 for the 2020 financial year.
- Launched the SMSF Connect Co-Branded Education Resource for professional members to provide educational content to their SMSF clients.
- Achieved a satisfaction score of 90% for National Conference, held on the Gold Coast during February 2020.
- Launched our Accredited Educators program to make it easier for members to achieve their CPD and FASEA requirements through high quality and up-to-date SMSF training and education.
- Presented a successful Technical Day 2020 event in an entirely online environment for the first time with over 800 delegates logging in on the day and the month following the event.
- Enhanced the support and experience of progressing through the Specialist accreditation program with the launch of 9 SMSF modules and extending the length of time for individuals to complete the program to 12 months.
- Re-introduction of our SMSF Knowledge Compass designed to help in the assessment of SMSF professionals' skills and knowledge.

Our key projects and targets for the next 12 months:

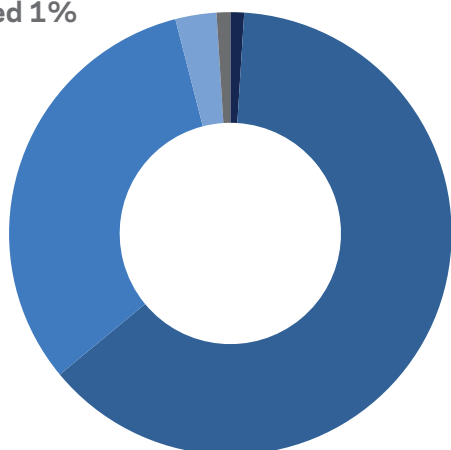
- Attract more than 1,500 attendees to the online SMSF + Investor Expo to be held during November 2020, in conjunction with delivering another successful SMSF Week.
- Continue to deliver more technical content tailored to SMSF Specialists and increase their member-only benefits.
- Grow the number of people entering the Specialist program by 30%.
- Grow new professional members by 40%.
- Grow our trustee community by 30% and continue to inform and educate them on the importance of seeking Specialist SMSF advice.
- Increase usage of the SMSF Connect Co-Branded Education Resource by 100%.
- Continue to develop relevant strategic partnerships to deliver on our core objectives.
- Deliver a successful, virtual National Conference in February 2021.





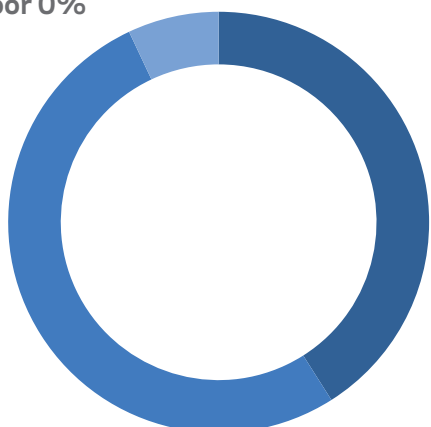
SMSF Association Membership as at 30 June 2020

- Fellow 1%
- Specialist 63%
- Associate 32%
- Affiliate 3%
- Retired 1%



SMSF Association customer service during 2020

- Excellent 41%
- Good 52%
- Average 7%
- Poor 0%
- Very Poor 0%



2020 Member Survey

Thank you to our members who provided feedback in our recent 2020 Member Survey. The responses assist us to ensure we understand the expectations you have of us and how we can continue to exceed these.

Based on feedback in the 2019 Member Survey, we implemented:

- More affordable CPD opportunities including an increase in complimentary CPD webinars throughout the COVID-19 health pandemic.
- An increase in advertising to promote the need for Specialist advice for SMSFs.
- A more streamlined website experience including a refresh of the online Resource Library and Member Dashboard.
- The modularisation of the SMSF Specialist Advisor (SSA™) program to provide a flexible and revitalised approach to gaining the SSA™ designation.
- Further opportunities for community engagement amongst SMSF professionals including a dedicated SMSF Association group on the XY Adviser social media platform.

As a result of feedback in our most recent Member Survey we will be looking to act on the following for our members:

- Continue various advertising campaigns to engaged SMSF trustees to encourage the need for SMSF Specialist advice.
- Develop additional tools for Specialists Members to market their expertise for increased lead opportunities.
- Look at delivering a more structured approach to complimentary, member-only CPD opportunities.
- The modularisation of the SMSF Specialist Auditor (SSAud®) program to provide a flexible approach to gaining the SSAud® designation and more audit specific CPD opportunities.
- Expanding and improving the capabilities of our popular Technical Research Service to service more members.
- Provide different formats for CPD and event delivery to meet member needs in the current environment.
- Increase the opportunities for SMSF professionals to engage with each other through flexible and varied formats.

Nature of Complaint	2020/21 (YTD)	19/20	18/19
Criminal conviction			2
Statutory offence bringing discredit to member, Association or profession	1	1	
Failure to observe proper standard of professional care, skill and competence			3
Breach of Association Code of Conduct and Rules	2	6	18
Breach of Association Branding policy			
Other			

Action taken by SMSF Association	2020/21 (YTD)	19/20	18/19
Cancellation of Membership	1	4	11
Suspension of Specialist designation or Membership for a defined period	1	2	11
Reprimand			
Practice review			
No action required		1	
Other			1
Investigation ongoing	1		

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 at all times as part of their membership.

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. These Conduct and Disciplinary Procedures are the expected minimum requirements of all of our members.



Pictured (left to right): Daniel Butler, Anna Garuccio, David Bannister, Andrea Slattery, Pauline Hammer, Craig Day, Mark Ellem, David Busoli, John Illingworth, Eng Sivieng, Grant Lange, Christopher Pulley, David Saul, Greg Layton, Adam Goldstien, Sally Rorke

SMSF Association Fellow Member status recognises Members for their significant commitment and contribution to both the Association and the SMSF sector.

Fellow Members have exclusive access to Fellow Member logo, designation/s and post-nominal/s that enables them to promote their Specialist knowledge and highlight their status and significant, ongoing contribution.



Fellow
SMSF Association
Specialist

Belinda Aisbett FSSA, FSSAud ▪ Nicholas Aston FSSA ▪ Carolyn Baker FSSA ▪ David Bannister FSS ▪ Stephen Blake FSSA ▪ David Busoli FSSA ▪ Daniel Butler FSSA ▪ James Cotis FSSA ▪ Craig Day FSSA ▪ Mark Ellem FSSA ▪ Peter Fry FSSA ▪ Anna Garuccio FSSA ▪ Adam Goldstien FSSA ▪ Pauline Hammer FSSA ▪ Meg Heffron FSSA ▪ Peter Hogan FSSA ▪ Jo Hurley FSSA, FSSAud ▪ John Illingworth FSSA, FSSAud ▪ Grant Lange FSSA ▪ Greg Layton FSSA ▪ Kim Meredith FSSA ▪ Michael Phillips FSSA ▪ Christopher Pulley FSSA, FSSAud ▪ Cameron Reed FSSA ▪ Sally Rorke FSSA ▪ David Saul FSSA ▪ Cindy Shearer FSSA ▪ Chris Simmons FSSA ▪ Tony Simmons FSSA ▪ Eng Sivieng FSSA ▪ Andrea Slattery FSSA ▪ Neil Sparks FSSA

Inaugural Fellowship ceremony at National Conference during February 2020

We recognised this initial select group of Fellow Members at a special function on the Tuesday evening prior to the formal commencement of our 2020 National Conference on the Gold Coast.

The inclusion of Fellow Members to the Association showcases our strong support of professionalism and high standards of integrity for the SMSF sector.



**15 Year Membership
Milestones**

13

**Congratulations to the following SMSF Association
members celebrating their 15 year membership
anniversary during 2020**

Thank you for your ongoing support of the Association
and the sector!

Sam Adigrati ▪ Tony Allen ▪ Gretchen Alt-Cooper ▪ Patrick Anwandter ▪ Robert Baker ▪
Veronica Bantleman ▪ Alex Barnett ▪ Marissa Bechta ▪ Ben Berri ▪ Kerree Bezencon ▪
Benjamin Black ▪ Paul Brady ▪ Tim Brooks ▪ Alan Buckley ▪ Ross Calvert ▪ Shu Cheng ▪
Peter Cramer ▪ Ian Crilly ▪ Marli Cronin ▪ Gary Cutler ▪ Terry Dalziel ▪ Angelo D'Ambrosio ▪
Khushroo Dastur ▪ Andrew Davies ▪ Stephen Degiovanni ▪ Peter Delis ▪ Kate Denney ▪
Tino Di Battista ▪ Jim Dionysatos ▪ Jennifer Dixon ▪ Julie Dolan ▪ Damion Emmanuel ▪
Tom Fanning ▪ Selwyn Favish ▪ Joe Gangemi ▪ Shane Griffin ▪ Leo Guterres ▪ Jo Hall ▪
Kevin Hines ▪ Wei Ling Ho ▪ Andrew Holmes ▪ Sharon Houghton ▪ Michael Hutton ▪
David Hyde ▪ Luigi Iacullo ▪ David Jackson ▪ Jean-Pierre Julliard ▪ Gregory Keady ▪
Attila Kelemen ▪ Matthew Kerr ▪ James Kilkenny ▪ Brett Kimmorley ▪ Kris Kitto ▪
Tamara Klose ▪ Loula Kouzeleas ▪ Vince Lagana ▪ Bridget Lamphee ▪ Chris Launer ▪
Darren Layton ▪ Mark Lewin ▪ Colin Lewis ▪ Mark Lockwood ▪ David Lolicato ▪ Mark Lowe ▪
David Lunn ▪ Scott Malcolm ▪ James Mansfield ▪ Olivia Maragna ▪ Graham Martin ▪
Angela Martyn ▪ Adrian McConnell ▪ Andrew McCracken ▪ Chris McGlinn ▪ Richard McGrath ▪
John McIntosh ▪ Malcolm McLean ▪ Neil McPherson ▪ Michele Meffen ▪ Gregory Mifsud ▪
Rory Mitchell ▪ Michael Molloy ▪ Shane Morgan ▪ Wayne Morgan ▪ Peter Mulqueen ▪
Chris Murray ▪ Ian Neale ▪ Anthony Newton ▪ Robert Nixon ▪ Kym O'Brien ▪ Damien Passmore ▪
Roland Paterson-Clark ▪ Michael Phillips ▪ Vanessa Rae ▪ Anwar Raslan ▪ Mark Reidy ▪
Matt Richardson ▪ Trevor Rickard ▪ Michael Ryan ▪ Thomas Ryan ▪ Jemma Sanderson ▪
Craig Sawyer ▪ Michael Schluter ▪ Tracey Scotchbrook ▪ Frank Scotney ▪ Mark Serry ▪ George
Shahinian ▪ Chris Simmons ▪ Campbell Simpson ▪ Andrea Skerritt ▪ Graham Slip ▪ John Small ▪
Michael Smolders ▪ Greg Southwell ▪ Han Spendlove ▪ Julie Steed ▪
Jarad Stirling ▪ James Street ▪ Alice Stubbersfield ▪ Douglas Tarrant ▪ Susie Thearle ▪
Douglas Thomson ▪ Elizabeth Timmins ▪ Michael Toal ▪ Michael Todd ▪ Meri Tungate ▪
Belinda Jane Von Knoll ▪ Suzanne Vukici ▪ Timothy Wakeling ▪ Geoffrey Walker ▪
Kyoung Walker ▪ John Watson ▪ Gregory Welsh ▪ Ryder Widdowson ▪ Greg Willey ▪
Ralph Wilson ▪ Elizabeth Winters ▪ Harry Wszola ▪ Stefano Zagami



"I have found that SMSF Specialist Accreditation has been very helpful as it adds another layer of credibility and helps gain trust when dealing with SMSF clients."

**Grant Lange FSSA, Financial Planner,
Financial Services Partners**

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

15



Philip Broderick
2019 Top SSA™ Achiever



Accredited SMSF Association Specialist Advisor (SSA™)

Craig Archbold ▪ Michael Ashcroft ▪ Muhammad Baig ▪ Boris Barna ▪ Daniel Bentley ▪ Tracey Besters ▪ Philip Broderick ▪ Kim Brown ▪ Tegan Cairns ▪ Hayley Caldwell ▪ Ben Cannon ▪ Catherine Chivers ▪ Daniel Ciabotti ▪ Martin Cooke ▪ Dan Diprose ▪ Chintan Engineer ▪ David Fam ▪ Fan Fan ▪ Ninette Ferlitsch ▪ Erika Fischer ▪ Rebecca Garnsey ▪ Andrew Gaston ▪ Anne Geraghty ▪ Ashley Ghigo ▪ Michaela Anne Gulbin ▪ Ashish Gupta ▪ Trent Hardcastle ▪ Lisa Harsley ▪ Dushanthi Herath ▪ Zhu Huang ▪ Clifford Hughes ▪ Neil Irving ▪ Anthony Isaac ▪ Miles Jacob ▪ James Jenkinson ▪ Eddie Jin ▪ Sachin Kala ▪ Patsy Karapas ▪ Cody Keating ▪ Marianne Keet ▪ Matthew Keller ▪ Steve Kelly ▪ Wazza Khan ▪ Aaron Kittelty ▪ Jamie Klason ▪ Ming Lew ▪ Yan Tao Lu ▪ Rohan Mansfield ▪ Suzanne McIntosh ▪ Kim Meikle ▪ Salena Nguyen ▪ Carl Nguyen ▪ Charmaine Parer ▪ Catherine Parker ▪ Casper Pasamba ▪ Alex Plumb ▪ James Robinson ▪ Tim Roff ▪ Jo Scrima ▪ Stefanie Seco ▪ Vineet Singh ▪ Andrea Skerritt ▪ Ruth Slade ▪ Sharon Staggs ▪ Zuzana Svetkovsky ▪ Leonie Tramacchi ▪ Sab Troncone ▪ Darin Trounce ▪ Chris Turtle ▪ Hank Wang ▪ Daisy Wang ▪ Cameron Whyte ▪ Tom Woollan ▪ Jack Yang ▪ Pearly Yap ▪ Qinhui Yu ▪ Arash Zamansani

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

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

Matthew Fish ▪ Lu Huang ▪ Benjamin Lacey ▪
Pradeepa Ranaweera



Lu Huang
2019 Top SSAud® Achiever

A key focus of the Association's Strategic Plan is to continue to build our community of engaged trustees and assist them in their SMSF journey through independent education, resources and events and promote seeking advice from SMSF Specialists.

Over **16,000** SMSF trustees are part of our valued SMSF Community.

SMSF Connect has attracted in excess of 45,000 web sessions this financial year.

SMSF Connect Co-Branded Education Resource

We are always looking at ways to support our professional members with servicing their SMSF clients. We are conscious that educating clients, particularly through periods of change, is an ongoing commitment of time and resources. ASIC Report 575 further emphasised the importance of consumers making informed decisions regarding SMSFs.

Our Specialist Members have the exclusive opportunity to add the SMSF Connect Education Resource via a co-branded portal on their organisation's website, to support and add value to their clients in today's uncertain and changing environment.



Find a Specialist

Throughout our communications and resources available to our trustee community, we promote the importance of SMSF Specialist advice especially in regards to complex issues requiring consideration of their specific circumstances. Our Specialist Members are regularly profiled to this group of engaged trustees via our online Find a Specialist directory.

During 2020, we launched a new 'Find a Specialist' marketing campaign to gain further recognition of the SMSF Association's SMSF Specialist designation, branding and promotion of our members' SMSF expertise amongst a wider SMSF trustee audience.

We thank the Specialist Members who have amplified the importance of seeking an SMSF Specialist and we encourage members to continually emphasise this extremely important message.

We will be continuing this marketing campaign as well as investigating other opportunities to raise the profile of our Specialist Members to SMSF trustees on an ongoing basis.



Virtual SMSF + Investor Events

During August 2020, we hosted our inaugural virtual SMSF + Investor event which attracted in excess of 500 trustees. Following this successful event we look forward to hosting a larger SMSF + Investor Expo, also online, during November 2020 to coincide with our SMSF Week.

These events enable us to showcase the Association as the leader in the sector and provide another avenue for us to constantly reinforce the important message of seeking the advice and support of a qualified, independent SMSF Specialist. Throughout these events and on our website, SMSF Connect, we promote our SMSF Specialists to our community of over 16,000 SMSF trustees.

There was a **398%**
increase in traffic
(December 2019 –
February 2020 versus
March – May 2020)
via our online Find a
Specialist directory.

Peter Burgess, Deputy CEO / Director of Policy & Education

It was just weeks after the SMSF Association National Conference 2020 that the COVID-19 pandemic began to extract its heavy economic and social toll on the Australian community. Quite clearly the SMSF sector would not be immune, and your Association acted quickly to make representations to the Government and Regulators on issues most concerning members and their clients.

The result was new legislation, temporary relief measures and ongoing policy developments, many of which we advocated. They included an extension to 30 June 2020 for SMSFs to lodge their 2019 annual returns, in-house asset concessions and a 50 percent reduction in the minimum drawdown rates for account-based pensions and similar products.

Your Association also played an active role in securing compliance relief for SMSFs who, as a result of the financial effects of COVID-19, found themselves needing to provide temporary rent relief to tenants, and for SMSF trustees who sought temporary loan repayment relief in relation to existing Limited Recourse Borrowing Arrangements between an SMSF and a related party.

Due to the business disruption caused by COVID-19, together with other professional associations, we advocated for and were successful in securing a 3-month extension for advisers to meet FASEA's 40-hour CPD requirement.

Your Association also provided input into ASIC's temporary advice relief measures for financial advisers and registered tax agents to provide urgent and immediate financial advice to consumers impacted by COVID-19. Despite a low take up, members believed being able to provide timely and more efficient advice in prescribed circumstances, via a shorter-form Record of Advice, was a step in the right direction.

During the year, your Association made a submission to the National COVID-19 Coordination Commission. In this submission we explored opportunities for infrastructure projects to be funded by SMSF capital and for more flexible policies for capital raisings to be considered.

We also acted quickly to ensure our members were kept up to date with the latest COVID-19 developments. This included running complimentary webinars for members, publishing regular technical bulletins, responding to technical queries, and providing members with white label templates.

Although COVID-19 took much of our time in 2020, it was not at the expense of the myriad issues where we believed your Association should have a voice. They included working with Government and other associations on measures to help consumers receive affordable and timely financial advice. Of concern to many of our members, are the multiple licences, registrations, regulators and associated levies which make providing affordable and timely financial advice difficult.

The complex limited licence framework for SMSF accountants and advisers, and the lack of clarity around scaled advice for fully licensed advisers, are all evidence of this problem. We believe a new consumer-centric financial advice framework is required and remain committed to the Association's long-held policy position that SMSF advice should be underpinned by specialist education requirements. Your Association will continue to work with the Government and other professional associations on the achievement of this important goal.

Your Association also made a submission to the Senate inquiry on increasing the maximum number of allowable SMSF members from 4 to 6. In this submission we pointed out the benefits of lower fees, greater choice and the benefits of increased superannuation engagement which could result from this initiative.

Our Federal Budget submissions highlighted red tape reduction options and refinements to the operation of the superannuation legislation. High on our list of proposed reforms was the streamlining of the Total Super Balance thresholds. The introduction of multiple superannuation balance thresholds to determine eligibility to make voluntary superannuation contributions, and to access bring-forward and catch-up contributions arrangements, has added significant complexity to the superannuation system. We believe the number of thresholds could be reduced by phasing out some and increasing others to align with remaining thresholds.

Legacy pensions, and the inability to convert these pensions to simpler more cost-effective account-based alternatives, has been an ongoing issue for many of our members and the broader SMSF community. Our Federal Budget submissions proposed an amnesty period to allow superannuation members with certain legacy pensions to be converted to account-based pensions.

Feedback received from members has highlighted certain inequities with the treatment of non-g geared unit trust which, due to a minor or trivial breach of the requirements, is no longer excluded from being an in-house asset of an SMSF. Our Federal Budget submissions proposed a change to the legislation to allow an investment in a related non-g geared unit trust to remain excluded from the in-house asset test, as long as a plan to rectify the breach is implemented before the end of the following financial year.

Lastly, we continue to advocate for the removal of the active member test when determining whether an SMSF, or any superannuation fund, has satisfied the definition of an Australian Superannuation Fund. We believe the active member test does not provide any additional integrity benefits and is an unnecessary source of red tape and complexity in the superannuation system.

The Association now awaits the release of the Retirement Income Review. Our 40-page detailed submission focussed on the SMSF sector and its integral role in the retirement income sector. With such a high percentage of SMSFs in the retirement phase, they are a pioneer group for retirement and are responsible for a significant portion of total superannuation retirement income payments. We look forward to it establishing a set of facts from which sound, long term policy can be built on.



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

Financial Results for 2020

\$458,934 surplus increased from \$78,521 surplus in 2019.

Revenue

\$5.99 million compared to \$6.29 million in 2019.

Operating Expenses

\$5.51 million compared to \$6.25 million in 2019.

People and Culture: a skilled, engaged and passionate workforce

We promote an inclusive workplace spread across two offices in Adelaide and Sydney respectively. In the latest SMSF Association staff survey, 86% of staff are satisfied with their role and a large majority of staff feel supported by the Association to balance their work and life responsibilities effectively.

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, engaging and efficient experience for our valued members. During 2020, we launched a brand new SMSF Association website featuring:

- A new look and improved functionality of our online Resource Library
- Brand new features on the Member Dashboard
- Specialist Members being profiled in the online 'Find a Specialist' directory and then regularly promoted to our engaged trustee audience
- New look Technical Research Service.

From our recent Member Survey, more than 80% of members rated 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. We have delivered timely updates and additional CPD hours through our 'In conversation with the ATO' series as part of our Statement of Intent.

We have worked closely with other industry bodies including CPA Australia, Chartered Accountants Australia and New Zealand (CA ANZ), Financial Planning Association of Australia (FPA) and the Institute of Public Accountants (IPA) in order to ensure Australians could obtain the advice they needed to understand the Federal Government's COVID-19 economic packages, including early access to superannuation.

In early 2020 we launched our Accredited Educators program which provides members with greater flexibility to fulfil their CPD and FASEA compliance requirements. This is through the provision of high quality, comprehensive and up-to-date SMSF content through a greater variety of SMSF training and education through these providers:

- Accurium
- Heffron
- LegalWise
- Smarter SMSF
- SuperConcepts
- SuperGuardian



**SMSF Association
Accredited
Educator**



**Our Board, Association and
Advisory Committees**

23

The SMSF Association has a number of Board and Association Committees who support 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 of the Association.

BOARD COMMITTEES

Finance, Risk and Audit Committee

Michael Houlihan – *Chair*
Tracey Scotchbrook
Brett Kenny
John Maroney
Josh Geers

**Governance, Nomination and
Remuneration Committee**

Robyn FitzRoy – *Chair*
Robin Bowerman
Scott Hay-Bartlem
John Maroney
Josh Geers

Public Policy Committee

Robin Bowerman – *Chair*
Hon. Bernie Ripoll
Tracey Scotchbrook
Jeremy Cooper
John Maroney
Peter Burgess

ASSOCIATION AND ADVISORY COMMITTEES

National Membership Committee

Liam Shorte – *Chair*
Craig Montgomery – *Secretary*
Michael Houlihan
Megan Kelly
Con Gotsis
Doug McBirnie
Lesley Faehse
Julie Steed
Brooke Hepburn-Rogers
Leonie DiLorenzo
John Maroney

Professional Standards Committee

Tracey Scotchbrook – *Chair*
Craig Montgomery – *Secretary*
David Saul
Fiona Hinrichsen
Nathan Baker

Education Committee

Peter Burgess – *Chair*
Clair Bland – *Secretary*
Belinda Aisbett
Julie Taylor
Louise Biti
Neal Dallas
Stephen Wright

National Conference Program Committee

Peter Burgess – *Chair*
Tarun Malhotra – *Secretary*
Aaron Dunn
Mark Ellem
Jemma Sanderson
Peter Crump
Adam Goldstien
Belinda Aisbett
Shelley Barton
Leigh Mansell
Craig Day
Scott Hay-Bartlem
Mary Simmons



"I think all members should aspire to become accredited. If you're going to work in this space, make sure that you get the credibility."

**Anna Garrucio FSSA, Director & Principal
Adviser, MTIS Private Wealth**

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

In response to the current health crisis the Association has enacted additional governance measures and altered other existing governance processes. This includes but is not limited to increasing the frequency of Board meetings, conducting Board and Committee meetings virtually and further engagement with our members and regular monitoring and assessment of key strategic risks.

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 and reputation 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 a minimum of five times each calendar year and undertakes annual Board performance reviews. The Board also reviews its effectiveness at the conclusion of each Board meeting and follows up recommendations for improvement. 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 including risk culture. 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 regularly by the Finance, Risk and Audit Committee and at Board meetings.

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, Partnerships, Technology, Systems & Data and Financial Capacity.

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 recommended 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 Associations website or via Membership Services. 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 recommended 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's members. Complaints relating to the Association's corporate governance, operational procedures and accountability or services offered are dealt with by the CEO and/or the Governance, Nomination and Remuneration Committee.

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.



Andrew John Hamilton

QUALIFICATIONS

Diploma of Financial Services, SMSF Association SMSF Specialist Advisor, Graduate and Member of Australian Institute of Company Directors.

EXPERIENCE

Andrew has a wealth of knowledge and experience, gained from more than 30 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 is now providing consulting services to business owners and professionals.

SPECIAL RESPONSIBILITIES

Chair



Robin Lewis Bowerman

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

Vice Chair

Chair of the Public Policy 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; 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, Diversa Trustees Ltd and Football Federation of Australia. 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

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

Member of the Public Policy Committee



Tracey Anne Scotchbrook

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

Chair of the Professional Standards Committee

Member of the Finance, Risk and Audit Committee

Member of the Public Policy Committee



Michael David Houlihan

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. Up to December 2018, Michael was 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 member of the Advisory Board of Evergreen Consultants, a boutique asset consulting business and the Chair of Eltham College.

SPECIAL RESPONSIBILITIES

Director

Chair of the Finance, Risk and Audit Committee

Member of the National Membership 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

Member of the Governance, Nomination and Remuneration Committee

Member of the National Conference Committee



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 a Professorial Fellow at Monash University with research interests in superannuation, regulation and innovation. In September 2019 Deborah was appointed to the Federal Government's Retirement Income Review.

SPECIAL RESPONSIBILITIES

Chair (Retired 3 October 2019)