

SMSF
Association
Annual
Report
2021





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Chair Report



When I sat down to write last year's report to members, I was privately hopeful that 2021 would usher in a far more stable economic, social, and, most importantly, health environment for all Australians. Initially, that seemed the case, with Victoria coming out of its long lockdown in late 2020 and a degree of normalcy returning to business and social activity in early 2021. At the Association, we confidently started planning for the July Technical Summit to be a face-to-face event at the Gold Coast, the locale for our very successful 2020 National Conference.

Alas, it was not to be. Long lockdowns in the later half of this year in New South Wales and Victoria, as well as more intermittent lockdowns elsewhere, have reminded Australians – if they need reminding – that the economic, health and social effects of this insidious virus are likely to be long lasting, in Australia and globally.

Although vaccination is offering us a road map out of “lockdown syndrome”, it is no panacea, and I fear it will be some time yet before life returns to some degree of normalcy as we knew it pre-COVID.

In a challenging period for all, our SMSF community has not been exempt. But amid all the upheaval to our lives I am pleased to say that all the anecdotal evidence suggests our superannuation sector is successfully weathering this COVID storm and will emerge from this crisis stronger and more vibrant than ever.

The quantitative evidence for this assertion is not lacking either, with the steady growth in fund membership, number of funds and funds under management testimony to the SMSF sector's appeal to the increasing

number of Australians who want to take direct control of their retirement income strategies. They would also be comforted by the fact that a report on superannuation costs by the actuarial firm Rice Warner found that SMSFs with balances of \$200,000 or more are cost competitive with industry and retail superannuation funds and those with balances exceeding \$500,000 are typically the cheapest.

These Australians, who now number more than 1.1 million, would also have taken great heart from this year's Federal Budget that introduced several reforms that benefited our sector. The Association's Deputy CEO / Director of Policy & Education Peter Burgess's report details what these changes mean for SMSFs.

It is sufficient for me to say that I believe these changes reflect a growing recognition in Canberra of the value that SMSFs bring our society whether it be in terms of their macro importance to the broader economy or at an individual or family level by allowing people to plan for a dignified and secure retirement. The fact there are now fewer key policy differences between the major political parties relating to the SMSF sector is further evidence of the legitimacy of our place in the superannuation industry.

Our sector is not without challenges, however. The declining number of advisers is of great concern to your Association. At the very time when SMSFs need specialist advice, and, with surveys showing they want this advice, the number of advisers to service this growing need is diminishing. What is also of concern is the lack of flexibility around the cost of advice, and how this often discourages SMSFs from seeking professional input on specific issues. Your Association is working diligently with Government to cut red tape and promote access to affordable advice for SMSFs.

That said, our sector can take great heart from the growing professionalism of SMSF Specialists.

Our consistent mantra over the Association's journey is that SMSF members need to be confident that they can access quality advice to ensure they make the right decisions whether in accumulation or retirement phase of their lives, and I am firmly of the view this is increasingly the case.

The Association recently announced the appointment of Bryan Ashenden and Dr Deborah Ralston to the Board. Bryan, as Head of Financial Literacy & Advocacy at BT, will bring an invaluable set of skills and experiences to the role. As a former Chair of the Association, Deborah needs no introduction, and once again we will all benefit from her wise counsel. The Board farewelled Tracey Scotchbrook, acknowledging her sterling work as a Director. Fortunately, we have not lost her services as she is now the Association's Policy Manager.

Finally, on behalf of the Board, I wish to thank our committees, valued members and staff for their ongoing and unwavering support. It has been a difficult two years, to say the least, but hopefully 2022 will bring improved fortunes and that I will have the privilege of welcoming you in person at the National Conference in Adelaide next February.



Andrew Hamilton
Chair | SMSF Association



CEO Report



The Association's Mission Statement is: "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". As Australia continues to grapple with the ongoing trials and tribulations of COVID-19, these words never seemed more relevant.

It is why your Association has seen the challenges of the past 18 months as the very time to reinforce the messages around the importance and benefits of education, professionalism and specialisation. Never have your clients had greater need of your considered advice, and never has the Association's role in helping ensure that it is well-founded advice, been more critical.

So, while some of the traditional avenues for imparting knowledge have been disrupted – most notably a face-to-face National Conference and Technical Summit – we have taken every step possible to ensure our virtual events have been as relevant, informative, and challenging, as can possibly be. No stone was left unturned to make this happen.

The feedback we received from delegates after the virtual National Conference and Technical Summit suggests to me that we succeeded.

The content was topical and engrossing; the technology worked well; the speakers were engaging and entertaining. These virtual events do have decided advantages, such as flexibility and convenience, although not to the extent that they could ever replace a physical event (COVID permitting) and all the networking and social activities that it affords.

For 2022, therefore, we are eagerly looking forward to welcoming members in person to the National Conference scheduled for Adelaide next February.

Remembering how successful this annual event was last time it was held in the City of Churches in 2016, we are confident of a repeat performance (knowing we have the infrastructure in place to deliver a hybrid event if so required).

This year we launched our new Specialist Showcase Series to further highlight the Specialist designation to the wider community, especially engaged SMSF investors. The Series also included invaluable member benefits for Specialist Members. This is an ongoing project with additional resources for Specialists to be added in the coming months, starting with a series of popular social media guides to assist members in showcasing their specialisation.

Another member initiative was to convert our SSAud® accreditation program to a modularised approach, giving SMSF auditors the opportunity to gain the designation at their own pace with modules written by SMSF auditors for SMSF auditors. Appreciating how popular this approach had proved for the SMSF Specialist Advisor designation, we decided to extend it to our auditor members to give them greater flexibility when seeking to improve their skill set.

We also entered into new partnership agreements with Kaplan Professional and Deakin University that enable students to complete the SMSF Specialist Advisor educational requirements as an elective unit in their respective Master of Financial Planning degrees.



All these initiatives reflect the importance your Association places on SMSF education and professionalism in the sector. It has always been part of our DNA, and COVID has simply reinforced why it is so essential for SMSF Specialists to remain abreast of all the change in our superannuation sector.

In late 2020 during SMSF Week, we released Rice Warner research focussing on the actual operating costs of an SMSF. This research, which received wide media coverage, finally laid to rest many of the canards about SMSF costs by showing that not only were they cost competitive with APRA-regulated funds above \$200,000 but that above \$500,000 they were usually the cheapest option. The Association had long argued that cost comparisons with APRA funds were often an “apple and oranges” debate that drew an unfavourable picture of SMSF costs. Hopefully, this Rice Warner research has finally laid this issue to rest.

I would like to take this opportunity to thank our Board, committees, staff and volunteers who have given so willingly of their time, effort and insights over what has been a difficult 12 months.

And to our engaged membership, let me express my gratitude for your total support, whether it be signing up for virtual conferences, providing feedback, or participating in our educational courses.

To you and your families, wishing you all the best for 2022. Let’s hope that it offers a far greater degree of social normalcy that what we have experienced in the past 18 months, starting with the National Conference in Adelaide in February.

John Maroney
CEO | SMSF Association

Strategic Objectives

The SMSF Association is midway through our 5 year Strategic Plan, established on 1 July 2019. The Plan was to focus on delivering more value for our professional members, to inform both existing and future SMSF trustees and to ensure we continue to lead the vibrant 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 SMSF 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: create and maintain 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 in the 2021 financial year:

- Presented successful virtual events including the Technical Summit and National Conference for professionals and the SMSF + Investor Expo for trustees. This included achieving a satisfaction score of 88% for the online National Conference held during February 2021.
- Enhanced the support and experience of progressing through the Specialist Auditor accreditation program with the launch of 8 SMSF Audit modules and extending the length of time for individuals to complete the program to 12 months.
- Introduction of our SMSF Knowledge Compass, designed to help in the assessment of SMSF professionals' skills and knowledge.
- Launch of our Specialist Showcase Series as part of our work to continue delivering more benefits for our Specialist Members.
- Achieved previous financial year target of increasing Specialist accreditation program enrolments by 30%.
- Made key sector advocacy developments, particularly as part of our 2021 Federal Budget submission and subsequent handing down of the Budget resulting in 3 key advocacy wins taken directly from our submission.
- Published our national 'Cost of Operating SMSFs 2020' research, assessing the cost-effectiveness of SMSFs compared to APRA regulated funds.

Our key projects and targets for 2022 financial year:

- Deliver a successful hybrid National Conference in Adelaide during February 2022, combining face-to-face with a virtual, online experience.
- Continue to deliver more technical content tailored to SMSF Specialists and increase member-only benefits.
- Promote strong uptake of SMSF electives available via Kaplan Professional and Deakin University Master of Financial Planning degrees.
- Grow our SMSF Connect investor community to help educate both new and existing SMSF trustees.
- Grow new professional members by 15% and grow the number of individuals entering our Specialist accreditation programs by 15%.
- Hold successful SMSF Connect Investor Expos in Melbourne and Sydney during May and June 2022, respectively.
- Continue to develop relevant strategic partnerships to deliver on our core objectives and overarching Strategic Plan.

**SMSF Association
5 year Strategic Plan**

VISION

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

FOCUS AREAS

Leading
the Sector

Quality
Professionals

Engaged
Trustees

STRATEGIC GOALS

Premier SMSF
voice with Govt,
Regulators,
policymakers
and media

A community for
likeminded and
trusted professionals

A trusted SMSF
community

Grow and maintain
your knowledge

Ensure a
healthy and
sustainable
sector

SMSF
technical tools

Be reliably
informed

FOUNDATIONS

People & Culture

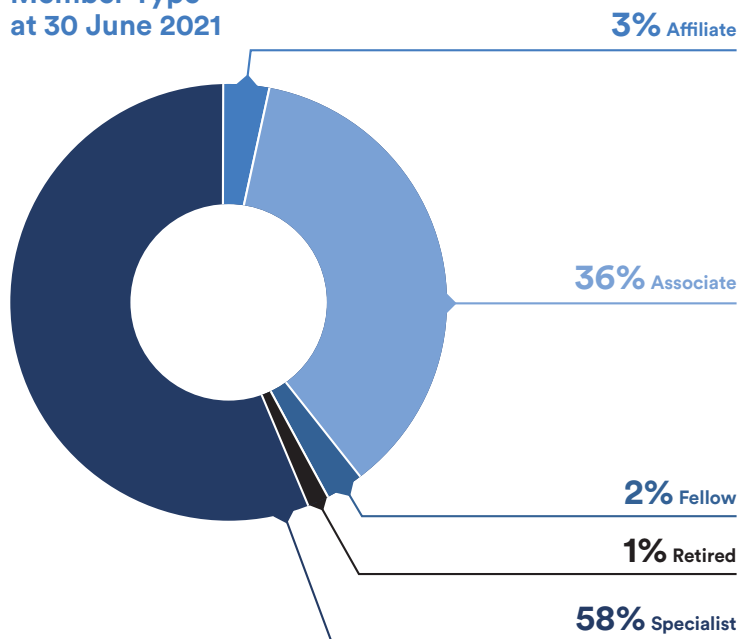
Technology, Systems & Data

Financial Capacity

Partnerships

Quality Professionals

Member Type
at 30 June 2021



SMSF Association Specialist Members are recognised as being at the peak of their profession throughout the sector. Specialist Members receive a range of Specialist-only benefits, most recently this included access to our newly launched Specialist Showcase Series.

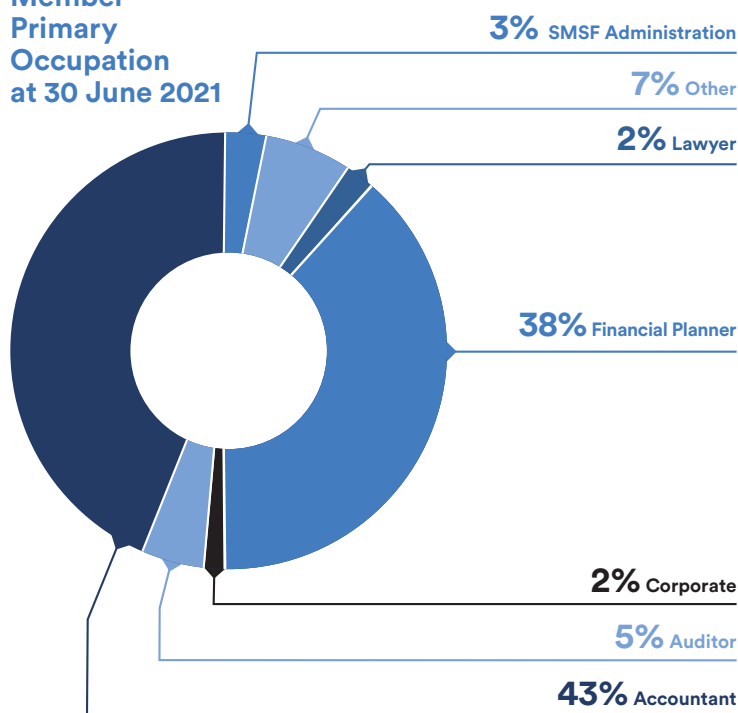
This ongoing Series contains a selection of social media guides to assist members in showcasing their Specialist designation online, to peers and prospective clients alike.

This Series also works hand-in-hand with our ongoing marketing efforts promoting the need for Specialist advice for SMSF trustees.

We are committed to providing all of our valued Members with benefits that support them professionally. In the past year, based on feedback in our 2020 Member Survey, we implemented:

- The modularisation of the SMSF Specialist Auditor (SSAud®) program to provide a flexible and revitalised approach to gaining the SSAud® designation.
- The revitalised and refreshed SMSF Knowledge Compass, an online diagnostic tool to assist SMSF professionals in determining their professional development requirements.
- An expanded and improved Technical Research Service to better support members.

Member Primary Occupation
at 30 June 2021



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, ethical and technical standards at all times, as part of their ongoing membership.

In order to uphold the level of professional conduct that we require of all of 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 professional members.

Nature of Complaint	2020/2021	2019/2020	2018/2019
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	1		3
Breach of Association Code of Conduct and Rules	7	6	18
Breach of Association Branding policy			
Other			

Action taken by the SMSF Association	2020/2021	2019/2020	2018/2019
Cancellation of Membership	3	4	11
Suspension of Specialist designation or Membership for a defined period	5	2	11
Reprimand			
Practice review			
No action required	1	1	
Other			1
Investigation ongoing			

Fellow Members

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

SMSF Association Fellows come from a wide range of backgrounds and roles within the SMSF industry. Our Fellow Members are quality professionals with tested abilities and knowledge relating to the SMSF sector, who are recognised leaders. It is their commitment to ongoing learning and bettering the SMSF sector that sets them apart in the sector.

Being an SMSF Association Fellow is everything in the name and more; advocating for the sector at large and being a part of an informed and trusted community.

Congratulations to our newest Fellow Members!

Sam Adigrati FSSA

Robert Allan FSSA

Gretchen Alt-Cooper FSSA

Nathan Baker FSSA

Craig Banning FSSA

Julian Battistella FSSA

Wayne Billington FSSA

Wayne Bolin FSSA

Terri Bradford FSSA

Jenny Brown FSSA

Peter Burgess FSSA

Peter Crump FSSA

Gary Cutler FSSA

Jennifer Dixon FSSA

Stephen Doulgeridis

FSSA, FSSAud

Aaron Dunn FSSA

Rodney Fox FSSA

Ian Glenister FSSA

Jo Hall FSSA

Warrick Hanley FSSA

Martin Harkness FSSA

Andrew Holmes FSSA

Luigi Iacullo FSSA

Anthony Jackson FSSA

Brett Kenny FSSA

Kris Kitto FSSA

Arthur Koo FSSA

John Lomas FSSA

Leigh Mansell FSSA

James Mansfield FSSA

Philip Mason-Cox FSSA

Richard McGrath FSSA

Russell Medcraft FSSA

Max Newnham FSSA

Michelle Oswald FSSA

Roland Paterson-Clark FSSA

Wayne Promnitz FSSA

Sam Rotberg FSSA

Jemma Sanderson FSSA

Shirley Schaefer FSSA, FSSAud

Julie Steed FSSA

Julie Taylor FSSA

Rex Whitford FSSA

Harry Wszola FSSA, FSSAud



Fellow
SMSF Association
Specialist



“

Being a Fellow means that the Association has seen what I've done out there in practice. It's great to be recognised and be seen as an SMSF Specialist who's been out there doing some good work in the industry.

Daniel Butler FSSA™,
Director, DBA Lawyers



Recently accredited SMSF Association Specialists

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

Top SSA™ Achiever

Matthew Keller

Top SSAud® Achiever

Lachlan Sue

SMSF Specialist Advisor (SSA™)

Mark Baghdassarian
Felicity Barker
Caroline (Xinyu) Chen
Audrey Chow
Emily Cooper
Truong Giang Dang
Kate Dundon
Amie Dunn
Natalie Dunne
Larry Ellis
Matthew Firman
Leonie Flynn
Jeremy Hall
Jaemi Kim
Marcus Kirkpatrick
Cissy (Xiayi) Liu
Kristy Lloyd
Claire McGregor
Jacqueline Mowday
Kathryn Munnings
David Myers
Zahir Patel
Steven Peckham
Domenica Piscioneri
Gavin Polmans

Chris Railton
Jaclyn Rose
Vukasin Stjepovic
Cumalan Sundarakumar
Ming En Tan
Jenna-Lee Thiele
Nathan Thomas
Dawn Thomas
Steffen Tjelder
Oana Tomescu
Selina Trace
Zac Trinnick
Anthony Zaman
Jincheng Zhao
Mi Zhou

SMSF Specialist Auditor (SSAud®)

Mark Baghdassarian
Audrey Chow
Kristine Go
Jacob Kewley
Samantha McHugh
David O'Donnell
Tom Thuijs
Kui Ting Wee
Shirley (Xuan) Wu

15 Year Membership Milestones

Congratulations to the following SMSF Association members who are celebrating their 15 year membership milestone during 2021.

We thank these members in particular for their ongoing and unwavering support of the SMSF Association and the wider sector over many years.

Paul Abrahams
Svetlana Badin
Andrew Bennett
Peter Blematl
Shane Bretherton
Sebastian Buccheri
Andrew Caulfield
Linda Cole
Malcolm Davis
Gary Dean
Amanda Draffin
Chris East
David Eid
Darren Eising
Dale Eriksen
Lesley Faehse
Andrew Finney
Andrew Gaston
Andrea Gedling
Peter Gialouris
Robert Goudie
Winsome Howson
Peter Johnson
Tricia Kleinig
Robert Koschel
Brian Lomas

Scott Lucas
Paula Murray
Kymberlee Naumann
Paul Nicol
Don Nicol
Christopher Ogilvie
Joseph Portelli
Andrew Price
William Pugh
Anthony Puliatti
Andrew Ramsay
Danielle Rodda
Jarrod Ross
Philip Saal
David Shume
John Slocombe
David Smith
Shane Thompson
Mark Tyminski
Vladimir Varas
Mark Vincent
Deborah Whiting
Ben Willington
Mark Willock

Engaged Trustees

A key focus of the SMSF Association's Strategic Plan is to continue to build our community of engaged trustees and assist them in their journey through independent education, resources and information. We also actively promote the importance of trustees seeking advice from accredited SMSF Specialists in the complex area of self managed super funds.

SMSF Connect

Our engaged trustee community, in excess of 15,000, utilise our online education platform, SMSF Connect, to remain up-to-date with the latest SMSF news, gain access to timely resources and articles that cover fund administration, compliance, investment plus much more.

SMSF Connect enables us to showcase the Association as the leader in the sector and provide another avenue for us to consistently reinforce the important message of seeking the advice and support of an accredited SMSF Specialist. We deliver ongoing promotion of our online 'Find a Specialist' directory to our engaged trustee community, particularly for those who are currently unadvised.

SMSF Week 2020

The cornerstone of SMSF Week was the publication of updated national research on the cost of operating an SMSF. The week for investors centred around answering one important question: When is an SMSF the right answer for you? We acknowledge that an SMSF offers control, flexibility and choice, but ultimately, they aren't the most appropriate option for everyone. It comes down to an individual's specific circumstances. SMSF Week enabled us to publish a range of resources to accompany the research, most notably a flyer tailored to potential trustees that highlighted the key considerations that need to be answered before establishing an SMSF.

The Week culminated with our SMSF + Investor Expo, held online, attracting 1,600+ SMSF investor registrations from across the country. The Expo allowed virtual attendees to engage with the wide variety of sponsors across two days. We're looking forward to hosting our Expos in a face-to-face environment, COVID permitting, in both Melbourne and Sydney in mid-2022.

2021 Investor Survey

We recently surveyed our SMSF Connect community in three key areas: their SMSF knowledge and education, forecasting and their specific circumstances. Overall, our community is highly educated in the administration and compliance requirements of maintaining an SMSF. They are seeking further information on the range of investment opportunities available to them, most notably Australian and Global equities over the next 12 months. As expected, a high percentage (73.9%) seek professional advice to inform their SMSF decisions.

SMSF Week 2020: Is an SMSF the right answer for you?



With over 1.1 million Australians choosing to manage their own Self Managed Super Fund, it has become a popular option for those wanting more control over their retirement savings.

A Self Managed Super Fund gives you, as the Trustee, the ability to put retirement planning into your own hands.

The long-standing debate when comparing an SMSF to a traditional superannuation fund is typically restricted to a simple analysis of cost and returns; but in reality, it's never that simple.

It also comes down to your motivations, your desire for control and your own personal retirement goals. Yes, an SMSF isn't right for everyone – it must be considered on a case by case basis – but it's important to have all the facts and information at hand so you can make the right decision.

“Lower fees, More control, Better choice, More Flexibility”

WHY CHOOSE AN SMSF?

Control

SMSFs enable you to take control of your financial future. The desire to gain greater control over superannuation assets and investments is the leading motivation for the establishment of SMSFs. As a trustee, you are responsible for making decisions on where your money is invested. Control lies in your hands. Your money. Your choice.

You control the fees, and you control the ability to achieve higher returns. It is this sense of comfort, confidence and security in managing your own affairs that cannot be measured.

Flexible investment choices

SMSFs provide the ultimate level of investment flexibility and choice. In addition to shares, fixed interest, and managed funds, SMSFs can offer increased flexibility, enabling you to invest directly into property, commodities, unlisted companies, and unlisted managed funds and trusts. This can even include your own small business property.

This ability to create a diverse, tailored portfolio is unmatched when compared to institutional superannuation funds.

Dissatisfaction with your existing fund

Taking control of an SMSF also means that trustees have oversight of their superannuation savings at all times. Many people decide to set-up an SMSF because they are dissatisfied with the performance of their existing superannuation fund. The fees may be too high or the investment options too restrictive. They may want more transparency over the fees they are paying or have more control over things like corporate actions.

Plan your tax

SMSFs can also provide additional flexibility to manage the tax paid by your fund. The flexibility of an SMSF allows individuals to control the timing of contributions and the purchase and sale of investments to achieve the best retirement savings outcome for members. SMSFs also provide for a seamless transition from accumulation to pension phase.

Plan your estate

With proper planning, and if structured correctly, an SMSF can provide additional flexibility and certainty regarding when, and to whom, death benefits are paid from your retirement assets.



83.2%

of trustees find education surrounding compliance requirements of an SMSF important.

53.0%

of trustees believe they have an 'experienced' level of understanding of SMSF investing knowledge.

73.9%

of trustees seek professional advice about SMSF decisions as required.

Leading the Sector



To my knowledge, we have never had two Federal Budgets in one financial year, and certainly not in my time of covering this major event on the Government's calendar. But like so many aspects of our lives that have been disrupted by COVID-19, federal budgets were not immune, with the May 2020 Budget delayed until October of that year. This year we returned to the more traditional May Budget.

For our superannuation sector, the October Budget contained little of interest. But for the broader superannuation industry there were key measures that were captured in the "Your Future, Your Super" package that have applied since 1 July 2021.

In the May 2021 Budget, however, it was a completely different story as I quickly discovered on reading the Budget papers in a socially distanced Canberra lock-up. In all my time of covering Federal Budgets, I have never experienced such a successful outcome for our sector. It was not just the fact there were a plethora of measures that would benefit SMSF members.

Many of the announcements were integral to our 2021 Federal Budget submission, so it was extremely gratifying to see they had become Government policy.

In a nutshell, what the Budget did was reduce complexity (there is still much more to be done in this regard) and make it easier for older Australians to top up their superannuation. The key measures included:

- Repealing the work test for voluntary contributions for non-concessional contributions for individuals aged 67 to 74 years. The Association has long advocated removing the work test as a means of allowing individuals to top up their retirement savings. Under this reform they will also be able to bring forward their non-concessional contributions.
- Reducing the eligibility age for downsizer contributions from 65 to 60 will provide more flexibility for members. This will be particularly useful in a low contribution cap environment.
- Relaxing residency requirements for SMSFs. Our submission argued, and the Government concurred, that the active member test should be removed and the existing two-year safe harbour exemption was too short in today's modern work arrangements and should be increased to five years.
- Giving SMSF members a two-year window of opportunity to switch from legacy retirement products to more conventional style pension products.
- Increasing the amount that can be withdrawn under the First Home Super Saver Scheme from \$30,000 to \$50,000 from 1 July 2022.
- Removing the \$450 per month threshold for superannuation guarantee eligibility.

November 2020 saw the release of the highly anticipated Retirement Income Review, and its impact on the superannuation system will continue for many years. From our perspective, there were three obvious benefits from the Review.

First, it provided factual evidence about the system that should help to ensure future policy debate is more evidence based.

Second, it found that the system was complex and hard to navigate – a finding the SMSF Association agrees with, especially in the wake of the member roundtables held in late 2020 that highlighted the burden red tape placed on SMSF investors and advisers alike. We are strong advocates of a more efficient regulatory framework for advisory services with a focus on consumers. Currently, we are actively participating in consultation and advocacy on this important issue which the Government and ASIC have duly recognised needs to be addressed. It's critical the industry gets the balance right between protecting consumers while providing them with affordable advice.

Third, it should increase the focus on superannuation engagement and performance and, consequently, encourage more people to consider SMSFs as their preferred retirement savings vehicle.

The other significant reform was the Federal Government's decision to increase the maximum number of SMSF members from four to six. This measure took effect from 1 July 2021, and while it is not expected to appeal to most SMSFs, it will provide additional flexibility and choice in the superannuation system for those in a position to use it.

In our submission to the Economics Legislation Committee, we said increasing the maximum number of SMSF members to six is likely to lead to lower fees and will improve the ability to pool balances and invest in a greater choice of assets. We also noted the concerns raised by the Labor Senators on the Committee and their recommendation that the Government should act on the Productivity Commission's recommendation and require providers of SMSF advice to have completed specialist SMSF training.

This aligns with the SMSF Association's long-held policy position that SMSF advice should be underpinned by specialist education requirements.

To this end, it has been pleasing to see the number of advisers completing the SMSF Association's Specialist Advisor accreditation program increase during the year.

COVID-19 continues to challenge our superannuation sector. Investment markets remain volatile; the advice system remains complex and costly. But in 2021, our super sector took several positive steps that will help ensure SMSF members, especially those who are retired, are better placed to enjoy secure and dignified retirements.



Peter Burgess
Deputy CEO
Director of Policy & Education

Foundations

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

Financial Results for 2021

\$55,296

Surplus compared to
\$458,934 surplus in 2020.

Revenue

\$4.73M

Compared to \$5.99 million in 2020.

Operating Expenses

\$4.67M

Compared to \$5.51 million in 2020.

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

We continue to promote an inclusive and supportive working environment spread across two offices in Adelaide and Sydney, as well as some staff members working remotely across Australia.

In the latest SMSF Association staff survey, 100% of staff agree communication between offices is good, 88% are satisfied with their role and a majority feel supported 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 2021 we continued to roll out enhancements to our respective websites. These centered around making the event registration process a more streamlined experience. From our recent Member Survey, 79.2% of our members rated the SMSF Association website as good and/or excellent.

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

The SMSF Association continues to maintain strong relationships with Regulators and Government. We work together with the Australian Taxation Office (ATO) to deliver timely updates and additional CPD hours through our 'In conversation with the ATO' series and blog updates as part of our Statement of Intent.

We also work with a wide variety of key stakeholders across the SMSF and superannuation industries to ensure the ongoing vibrancy and health of the sector. These include the SMSF Association Accredited Educators, other peak industry bodies, our loyal sponsors and a range of other corporates and key influencers.

Our Board, Association and Advisory Committees

The SMSF Association has a number of Board and Association Committees which support the management and administration of the Association. We appreciate the contribution and assistance of each committee member to achieve our objectives.

Board Committees

Finance, Risk and Audit Committee

Michael Houlihan, Chair
Andrew Hamilton
Brett Kenny
John Maroney
Peter Burgess

Governance, Nomination and Remuneration Committee

Robyn FitzRoy, Chair
Scott Hay-Bartlem
Dr Deborah Ralston
Bryan Ashenden
John Maroney

Public Policy Committee

Dr Deborah Ralston, Chair
Hon. Bernie Ripoll
Robin Bowerman
Jeremy Cooper
John Maroney
Peter Burgess
Tracey Scotchbrook

Association and Advisory Committees

National Membership Committee

Liam Shorte, Chair
Michael Houlihan
Megan Kelly
Con Gotsis
Doug McBirnie
Katrina Hancock
Julie Steed
Brooke Hepburn-Rogers
Leonie DiLorenzo
John Maroney
Craig Montgomery, Secretary

National Conference Program Committee

Peter Burgess, Chair
Mark Ellem
Jemma Sanderson
Belinda Aisbett
Shelley Banton
Leigh Mansell
Julie Steed
Tim Miller
Phil Broderick
Daniel Butler
Graeme Colley
Mary Simmons
Tarun Malhorta, Secretary

Professional Standards Committee

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

Education Committee

Peter Burgess, Chair
Belinda Aisbett
Julie Taylor
Louise Biti
Neal Dallas

Corporate Governance Statement

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.

The Board is committed to an inclusive, diverse culture in the belief that this approach will enhance an egalitarian culture and improve overall governance. As part of the consideration of potential directors the committee looks for continuity of expertise, broad experience, representation across regions and different sectors, demographic, cognitive, and skills diversity within the Board.

3. Board Composition (continued)

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.



Our Directors

Andrew John Hamilton



- Chair
- Member of the Finance, Risk and Audit Committee

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.

Michael David Houlihan



- Vice Chair
- Chair of the Finance, Risk and Audit Committee
- Member of the National Membership Committee

Qualifications

Diploma of Superannuation Management; Graduate Certificate of Business Administration; Member of Australian Institute of Company Directors; SMSF Association SMSF Association 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 currently Joint Managing Director of Strategic Wealth Services.

Robyn Louise FitzRoy



- Director
- Chair of the Governance, Nomination and Remuneration Committee

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 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, Diversa Trustees, MLC School Burwood, Habitat for Humanity Australia and WealthPortal Pty Ltd.

William Edward Shorte (Liam)



- Director
- Chair of the National Membership Committee

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.

Bernard Fernand Ripoll



- Director
- Member of the Public Policy Committee

Qualifications

Bachelor of Business (Mkt); Electrical fitter and mechanic by trade.

Experience

Member of the Federal Parliament from 1998 to 2016, in government serving as the Parliamentary Secretary to the Treasurer with responsibility for Financial Services and Corporations, the Australian Securities and Investments Commission, the Australian Bureau of Statistics, and other agencies in 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 on a number of official parliamentary and government delegations. Chaired the Parliamentary Joint Committee on Corporations and Financial Services leading the delivery of many reforms and in particular work that led to the Future of Financial Advice legislation (FoFA). A non-executive and executive Director on a number of private and public sector boards.

Scott Peter Hay-Bartlem



- Director
- Member of the Governance, Nomination and Remuneration Committee
- Member of the National Conference Committee

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.

Dr Deborah Eileen Ralston



Commenced 24 March 2021

- Director
- Chair of the Public Policy Committee
- Member of the Governance, Nomination and Remuneration Committee

Qualifications

Master of Economics; Doctor of Philosophy in financial regulation, Fellow of CPA Australia; Fellow of Australian Institute of Company Directors.

Experience

Dr Deborah Ralston has more than 25 years of board-level experience across commercial and public sectors, with experience in education, banking, superannuation and fintech sectors.

She is currently a member of the Future Fund Board of Guardians and the Reserve Bank of Australia Payments System Board, and is a non-executive director with SuperEd, Kaplan Business School, and Kaplan Higher Education.

Deborah is a Professorial Fellow at Monash University and is a member of the Steering Committee for the Mercer CPA Global Pension Index. In 2019 Deborah was appointed by the Treasurer Josh Frydenberg to the 3-member panel for the Retirement Income Review.

Bryan Ashenden



Commenced 1 July 2021

- Director
- Member of the Governance, Nomination and Remuneration Committee

Qualifications

Bachelor of Law; Bachelor of Commerce; Graduate Diploma Financial Planning; SMSF Association SMSF Specialist Advisor.

Experience

Bryan Ashenden leads the BT Tech Services team at BT – a group of professionals committed to supporting the adviser community with technical, regulatory, and policy support. Bryan has many years' experience in leading and delivery comprehensive technical solutions to advisers and their clients, the last 20 spent with BT and Asgard. Prior to that, he spent six years with KPMG in their taxation consulting division. Bryan is a frequent presenter and facilitator at many industry events, lectures in financial planning subjects and regularly contributes to trade and consumer publications.

Robin Lewis Bowerman



Retired 18 November 2020

- Vice Chair
- Chair of the Public Policy Committee
- Member of the Governance, Nomination and Remuneration Committee

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.

Tracey Anne Scotchbrook



Retired 1 April 2021

- **Director**
- **Member of the Finance, Risk and Audit Committee**
- **Member of the Public Policy Committee**
- **Chair of the Professional Standards Committee**

Qualifications

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

Experience

Tracey is a specialist in self-managed superannuation providing 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.



