

**Joint Committee on Corporations and Financial Services**

**ANSWERS TO QUESTIONS ON NOTICE**

**Australian Taxation Office**

Collapse of Trio Capital

23 September 2011

**Topic:** **Characteristics of individuals who have self-managed super funds**

**Hansard Page:** **34**

**Question:** **1**

**Mr FLETCHER:** The characteristics of individuals who have self-managed super funds—how much, if anything, do you know about that?

**Mr Peterson:** I can tell you a bit about their income ranges. I can tell you about their age ranges. I can tell you a bit about their operating expenses, amounts in the funds and average account balances.

**Mr FLETCHER:** Rather than asking you to run through that, perhaps you could either table it or direct the secretariat to where we could find that in your published material.

**Answer:**

The ATO's self managed superannuation fund (SMSF) statistics as at June 2011 can be located following the attached link: [Self-managed super fund statistical report – June 2011](#)

A summary of key data from the report is provided below. Figures are estimates based on data provided by SMSFs reporting their financial position as at the 30 June of the relevant year. While the majority of the data in this summary includes figures as at 30 June 2011 certain data is only released annually and accordingly is at 30 June 2010.

**Self-managed superannuation fund population table – annual data**

|                        | <b>Jun-10</b> | <b>Jun-11</b> |
|------------------------|---------------|---------------|
| Establishments         | 29,609        | 33,106        |
| Windups                | 5,796         | 487           |
| Net establishments     | 23,813        | 32,619        |
| Total number of SMSFs  | 423,853       | 456,472       |
| Total members of SMSFs | 805,978       | 867,863       |

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23 September 2011

**Asset allocation tables (\$ million)**

|   | <b>Jun-10</b>  | <b>Jun-11</b>  |
|---|----------------|----------------|
| Listed trusts                                     | 18,966         | 21,707         |
| Unlisted trusts                                   | 33,187         | 36,990         |
| Insurance policy                                  | 186            | 201            |
| Other Managed Investments                         | 19,014         | 22,339         |
| Cash and term deposits                            | 104,232        | 114,165        |
| Debt securities                                   | 2,396          | 2,624          |
| Loans   | 2,129          | 2,285          |
| Listed Shares                                     | 120,397        | 139,345        |
| Unlisted Shares                                   | 4,023          | 4,318          |
| Derivatives and instalment warrants               | 665            | 729            |
| Non-residential real property                     | 41,276         | 44,192         |
| Residential real property                         | 13,509         | 14,464         |
| Artwork, collectibles, metal or jewels            | 581            | 623            |
| Other assets                                      | 10,464         | 11,230         |
| Overseas shares                                   | 939            | 1,087          |
| Overseas Non-residential real property            | 63             | 73             |
| Overseas Residential real property                | 108            | 126            |
| Overseas Managed Investments                      | 294            | 341            |
| Other overseas assets                             | 1,409          | 1,631          |
| <b>Total Australian and Overseas Assets (\$m)</b> | <b>373,840</b> | <b>418,469</b> |

**Membership sizes table**

| <b>Number of members</b> | <b>Proportion of funds (%)</b> |                |
|--------------------------|--------------------------------|----------------|
|                          | <b>2008-09</b>                 | <b>2009-10</b> |
| <b>1</b>                 | 23.1%                          | 22.6%          |
| <b>2</b>                 | 67.9%                          | 68.8%          |
| <b>3</b>                 | 4.5%                           | 4.2%           |
| <b>4</b>                 | 4.6%                           | 4.4%           |

**Member demographic table- age ranges as at June 2011**

| <b>Age ranges</b> | <b>Male</b>  | <b>Female</b> | <b>Total</b> |
|-------------------|--------------|---------------|--------------|
| < 25              | 1.0%         | 1.0%          | 1.0%         |
| 25 - 34           | 4.2%         | 4.3%          | 4.2%         |
| 35 - 44           | 12.9%        | 14.9%         | 13.8%        |
| 45 - 54           | 24.1%        | 26.7%         | 25.3%        |
| 55 - 64           | 32.8%        | 33.8%         | 33.3%        |
| > 64              | 25.1%        | 19.2%         | 22.4%        |
| Unknown           | 0.0%         | 0.0%          | 0.0%         |
| <b>Total</b>      | <b>100%</b>  | <b>100%</b>   | <b>100%</b>  |
| <b>All ages</b>   | <b>53.6%</b> | <b>46.4%</b>  | <b>100%</b>  |

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23 September 2011

**Member demographic table – income ranges as at June 2011**

| <b>Income ranges</b> | <b>Male</b> | <b>Female</b> | <b>Total</b> |
|----------------------|-------------|---------------|--------------|
| \$0-\$20,000         | 22.5%       | 31.0%         | 26.4%        |
| >\$20,000-\$40,000   | 17.6%       | 23.1%         | 20.2%        |
| >\$40,000-\$60,000   | 12.7%       | 14.1%         | 13.4%        |
| >\$60,000-\$80,000   | 12.7%       | 11.7%         | 12.2%        |
| >\$80,000-\$100,000  | 8.2%        | 6.3%          | 7.3%         |
| >\$100,000-\$200,000 | 16.0%       | 9.4%          | 13.0%        |
| >\$200,000-\$500,000 | 7.2%        | 2.8%          | 5.2%         |
| >\$500,000           | 2.5%        | 0.7%          | 1.7%         |
| Unknown              | 0.5%        | 0.8%          | 0.7%         |
| <b>Total</b>         | <b>100%</b> | <b>100%</b>   | <b>100%</b>  |

**Average assets table (\$)**

|                                  | <b>2008-09</b> | <b>2009-10</b> |
|----------------------------------|----------------|----------------|
| <b>Average assets per member</b> | 430,406        | 466,909        |
| <b>Average assets per SMSF</b>   | 819,125        | 888,433        |

**Flow of funds table (\$ million)**

|                | <b>Contributions</b>        |                               | <b>Transfers</b>        |                          | <b>Benefit payments</b> | <b>Operating expenses</b>         |                       |
|----------------|-----------------------------|-------------------------------|-------------------------|--------------------------|-------------------------|-----------------------------------|-----------------------|
|                | <b>Member contributions</b> | <b>Employer contributions</b> | <b>Inward transfers</b> | <b>Outward transfers</b> |                         | <b>Admin and Invest. expenses</b> | <b>Other expenses</b> |
| <b>2008-09</b> | 18,144                      | 10,381                        | 13,125                  | 3,517                    | 16,649                  | 1,481                             |                       |
| <b>2009-10</b> | 15,072                      | 6,945                         | 14,283                  | 4,331                    | 17,413                  | 1,481                             |                       |

The Australian Government's Review into the governance, efficiency, structure and operation of Australia's Superannuation System (Cooper review) can be accessed at: [http://www.supersystemreview.gov.au/content/downloads/statistical\\_summary\\_smsf/SMSF\\_statistical\\_summary\\_report.pdf](http://www.supersystemreview.gov.au/content/downloads/statistical_summary_smsf/SMSF_statistical_summary_report.pdf)

A summary of key findings, including a statistical summary of self-managed superannuation funds:

- SMSF percentage return on assets was positive in the 2006 and 2007 financial years (12.6% and 16.9% respectively) and showed a loss in 2008 (of 6.1%).
- Generally, SMSF return on assets improves as fund asset size increases.
- Overall, the ratio of SMSF operating expenses to assets is less than 1%, and has reduced in recent years, from 0.86% in 2006 to 0.77% in 2007 to 0.69% in 2008. The exception being smaller SMSFs, where expenses have increased.
- Average annual operating expenses have increased from approximately \$5,500 per SMSF in 2006, to \$6,000 in 2007 and \$6,500 in 2008.
- The return on assets for SMSFs significantly improves as fund asset size increases. In 2007-08, SMSFs with asset values of less than \$200,000 had the most significant negative return on assets of approximately -12%.
- The proportion of SMSFs with operating expenses less than 1% in the 2006, 2007 and 2008 financial years has been 57%, 60% and 64% respectively.

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- SMSFs with assets of \$100,000 or less have a higher expenses ratio each year in comparison to SMSFs with assets over \$100,000. The ratio for SMSFs with less than \$100,000 was 6% in 2008. Contrary to the overall trend, expenses for SMSFs with less than \$200,000 in assets appear to be increasing. SMSFs in the \$50,000 to \$100,000 asset range show an increase from around 3% in 2006 and 2007 to over 5% in 2008.