

THE ASSOCIATION OF SUPERANNUATION FUNDS OF AUSTRALIA LTD

Annual Review

2005

Preparing
for the
future

www.superannuation.asn.au

The Association of Superannuation Funds of Australia Ltd (ASFA) is a non-profit, non-political national organisation.

For more than 40 years it has been the peak body reflecting all segments of the superannuation industry and is seen as 'The Voice of Super' in Australia.

Although we are an industry organisation, we are also committed to placing a strong focus on the interests of consumers in relation to issues ranging from improved consumer protection to enhancing the financial security and retirement income of all Australians.

Our mission

ASFA's mission is to protect, promote and advance the interests of Australia's superannuation funds, their trustees and their members.

Our vision

To be the leading industry body covering all sectors and aspects of superannuation policy and business, including the provision of post retirement products offered by superannuation funds.

Our membership

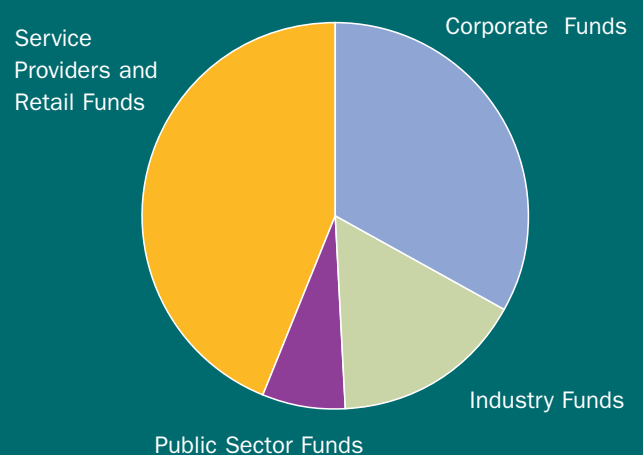
ASFA's member funds represent over 80% of all Australians with superannuation. Collectively, they represent 6.5 million Australians and about 80% of superannuation assets in funds other than self-managed superannuation funds (SMSFs).

We represent around 375 member funds and service providers that are responsible for the vast majority of assets and members in each of the retail, public sector, corporate and industry fund sectors.

We also have a strong representative function for SMSFs, as many of the major advisory firms for these funds are ASFA members.

Membership of ASFA is open to any entity, or individual, participating in the superannuation industry.

Members by category



Highlights

2004-05

In the face of a rapidly changing external environment, we have worked hard to anticipate and prepare for the challenges the superannuation industry will face in the years ahead.

By responding proactively, we aim to lead the industry and provide our members with the tools they need to succeed in responsibly managing the superannuation savings of working Australians. Our successes this year include:

Representation

- Advocacy and lobbying efforts resulted in an expansion of the co-contribution payment for low and middle-income earners.
- Abolition of the superannuation surcharge announced in the Federal Budget.
- Introduction of more workable phased retirement options and market-linked pensions.
- Improved fee disclosure arrangements.
- Amendments to the choice of fund, Financial Services Reform and APRA licensing requirements for more workable arrangements.

Member Services and Support

- Launch of swimEC standards and protocols.
- Development of extensive range of Best Practice Papers and launch of Best Practice Workshops.
- Development of website information tools such as *Super Guru* and Employer Choice Fact Sheets.
- Increased range of updates, briefings and 'how to' information for members.
- Further enhancement of professional development and accreditation programs including the *Superfunds* online CPD package and annual CPD summaries.
- Establishment of stand-alone communications forum and awards night and communication practitioner discussion groups.

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Organisational profile

How we operate

ASFA is a limited company and has a constitution governing its operations. Our organisation is governed by a Board of Directors composed of members elected from and by the various industry segments within ASFA. The Board meets quarterly and sets ASFA policy and strategic direction.

Three committees are drawn from the Board members: Policy, Member Services and Administration & Finance. These in turn create standing or ad hoc sub-committees for particular tasks.

There are five State Divisions (NSW, Queensland, South Australia, Victoria and Western Australia), each of which has an Executive Committee, as well as a Sub-Committee in both the Australian Capital Territory and Tasmania.

The Board has initiated a number of changes to ASFA's governance structure over the last year. These are detailed in the Chair's report.

As a not-for-profit organisation, we generate revenue through our subscription base and other activities and events organised throughout the year.

We provide a range of services including:

- Representing the superannuation industry, trustees and through them the members of funds.
- Undertaking research and developing policy to improve the administration of superannuation and the retirement income for members.
- Creating an awareness of superannuation issues.
- Providing professional development, education and training for those working in the superannuation industry.
- Providing a range of information and other resources to help ensure that members are kept up to date on matters affecting the superannuation industry.
- Co-ordinating a range of events, seminars and forums to enable information sharing, debate and networking on superannuation and related issues.
- Promoting best practice in the operation of superannuation funds; and in doing so, continually striving to assist superannuation funds, their trustees, members and participating employers.

Led by the Chief Executive, the Secretariat staff undertakes the day-to-day running of ASFA's business and ensures that the strategic direction determined by the Board is implemented.

Our values and ethics

As the peak body for the superannuation industry, we are committed to raising the level of standards in our industry by recognising a high level of professionalism and expertise in the way our industry conducts its business.

Our industry has a heavy responsibility in safeguarding the retirement incomes of all Australians and the ASFA Best Practice Papers and Code of Ethics are designed to guide members in the conduct of their business.

What we do

Representation

ASFA is regarded as an authoritative voice in its dealings with legislators and regulators and we work hard to raise awareness and lead the debate on issues facing the superannuation industry.

Our current agenda includes improving the administration and cost-effectiveness of superannuation and reinforcing its role as the major savings vehicle for retirement. This requires detailed research, consultation, representation and policy development.

We make regular submissions to government on issues of interest to the industry. *ASFA Action* provides regular updates on this and on matters on the parliamentary agenda. The 'State of Play' provides an annual report on industry issues and ASFA's position.

The ASFA Research Centre develops special reports on trends and issues facing the industry, as well as industry 'benchmarking' and other commissioned surveys.

Professional development

ASFA offers a Professional Accreditation Program to benchmark the knowledge and status of professionals working within the industry. This encourages professionals within the industry to stay up to date with industry developments, compliance requirements and to abide by our Code of Ethics.

Members may be accredited as Fellows (FASFA) or Associates

(AASFA) and agree to undertake continuing professional development through structured programs to retain their accreditation status.

This includes a comprehensive Education Program that is increasingly viewed as essential for career progression within the industry. ASFA Education offers a number of recognised qualifications including the Diploma of Financial Services (Superannuation) and the Advanced Diploma in Financial Services (Superannuation).

Participants may choose from a range of flexible subject delivery options including face-to-face, distance learning and online. A range of formal education and corporate workshops at introductory through to higher technical levels increase the opportunities for further learning.

ASFA's seminar and events program supports these professional development initiatives.

Extending professional networks

A range of events and forums is available to assist industry participants to extend their knowledge and their professional networks. These include discussion groups, workshops, specialist forums, roadshows and 'member only' briefings on topical or significant industry issues, with luncheons and seminars held on a regular basis in the major capital cities.

The annual ASFA National Conference is one of the key industry events, where leading Australian and international commentators share their insights into the current challenges facing the industry.

Information and resources

ASFA provides a wealth of information and resources for members including information provided via our website with a Member Only Area and specialist information on technical matters and legislative developments.

Our members receive a regular e-news communication, *ASFA Action*, alerting them to emerging issues, as well as the monthly *Superfunds* publication, which is regarded as the leading magazine providing analysis and commentary on the industry.

ASFA also has a Library and Resource Centre and provides members with information as to the status of regulations and technical issues affecting funds and their members.

The ASFA policy team is also available to assist members on a range of matters related to the legislative requirements and agenda of government.

Benefits of our work

Membership of, and participation in, ASFA strengthens the collective voice and underpins the research capability of the industry while helping to build a powerful network and resource for individual members.

For members

- Members have the opportunity to participate in the development of industry policy.
- Our unrivalled technical and research expertise and experience allows member companies to draw on this unique information resource of specialist information.
- We provide a comprehensive education and continuing professional development program.
- Peer networking opportunities revolve around training and events.

For the industry

- ASFA's credibility ensures that the 'Voice of Super' is heard by government and regulators.
- Effective representation at all government levels strengthens the industry as a whole through a process of consultation, expert research, analysis and policy development.
- Regular research and policy development leads to improvement in the administration and operations of the superannuation system.

For the community

- We create awareness and knowledge about superannuation and the value of Australia's retirement income system.
- We ensure that the public interest and longer-term sustainability of retirement income policies are considered in policy development.
- We promote the important role of superannuation savings in Australia's economy.

Chair's report



Lorraine Berends
Chair

Welcome to ASFA's Annual Report for 2004–05.

The ASFA Board is very pleased to report to you on ASFA's many achievements on behalf of members and the superannuation industry. We think the list is impressive, but it is for you to be the judge of that. As always, our focus is on the long term interests of our members and the superannuation industry more broadly. Please let us know what you think.

In last year's report I flagged a review by the ASFA Board of ASFA's corporate governance structure. You will be aware that one outcome of the review will be a reduction in the number of directors, as agreed at a general meeting of members earlier this year, to come into effect from the 2005 annual general meeting. Let me describe the review and the overall outcome in more detail.

Corporate governance review

The impetus for the review was a desire by the Board to ensure it was "walking the walk" as well as "talking the talk". ASFA has a long standing focus on governance – both the corporate governance of companies our members invest in and the internal governance of our own entities. The Board is committed to ensuring ASFA's own corporate governance is best practice.

The Board initiated an evaluation process, which included an external analysis of the Board's effectiveness, structure and size. This process highlighted a number of areas for Board attention. Not surprisingly, one of those areas was the size of the Board. ASFA has evolved over the years, along with the superannuation industry, with the result being that the Board has grown to comprise 20 directors, three elected from each of ASFA's five member categories plus one from each of the five State Division Executive Committees.

Board restructure

The Board reached the conclusion that a smaller Board is desirable. A smaller Board is expected to facilitate discussion, be logistically more flexible and be more cost effective. In summary, the new structure will enable the Board to respond more quickly and effectively to opportunities and challenges for our members and the superannuation industry.

The question then was how to move from the current structure to a smaller structure.

The Board recognised the overriding importance of maintaining balanced representation of members' interests to ensure all members' needs receive due consideration. The five State Division directors are each participants in a member category. It is therefore possible for there to be an imbalance in member category representation with their inclusion on the Board, particularly with a smaller Board.

The Board concluded that members' interests are best represented at Board level by two directors elected in respect of each of the five member categories. The presence of an equal number of directors on the Board from each member category ensures that the interests of all member categories are considered when the Board determines ASFA's approach to areas of policy that affect members.

State liaison

A major consideration for the Board was how best to facilitate continued liaison with the states. The State Division Executive Committees play a vital role in the delivery of member services and provide much of the face to face contact between ASFA and our members. The Board addressed this issue as part of the Board restructure.

Given the focus of these committees on member services, the Board concluded the most appropriate vehicle for ensuring ongoing liaison and addressing state issues is the Member Services Committee, one of the three main Board committees. Previously the Member Services Committee comprised only directors. The charter of the Member Services Committee has been revised to include state representation for each of the existing State Divisions (New South Wales, Victoria, Queensland, South Australia, Western Australia) and for Tasmania and the Australian Capital Territory. So, although the states cease to appoint directors to the Board, state representatives will communicate to the Board through the reporting of the Member Services Committee.

The Board is aware of the importance of state networks to ASFA's ongoing activities and is committed to supporting our state representatives.

Other governance outcomes

The Board restructure has been the most public outcome of the Board's ongoing corporate governance review. Many other tangible outcomes have flowed from the review and they put ASFA in an even stronger position to serve its members. Some of these outcomes are mentioned in this report, and include:

- induction program for new directors;
- Board Charter and Code of Conduct;
- risk management plan; and
- strategic plan.

I am very pleased with the results to date and thank both my fellow directors and Philippa Smith, ASFA's CEO, for their dedication to the ongoing task. Good governance forms the necessary foundation for any organisation – but like any foundation most of what happens is ultimately out of sight and not always appreciated. Good corporate governance is also a culture, not just a range of activities. I'm pleased to say the necessary culture is strongly woven into the ASFA fabric.

Our joint responsibility

As the peak industry body representing all participants in the superannuation industry, ASFA has a responsibility to address not only the specific needs of our members but also broader issues that affect the industry as a whole. That ASFA fulfills this responsibility is evident in our achievements.

The ASFA Board strongly believes all industry participants, in turn, have a responsibility to support the industry as a whole and ASFA's broader role. As individual players in the industry we all benefit, whether through improved benefits for the members of our funds or healthier profits for our organisations.

You fulfill this responsibility through your membership of ASFA. We look forward to continuing to fulfill our joint responsibility together in the years ahead.

Thanks

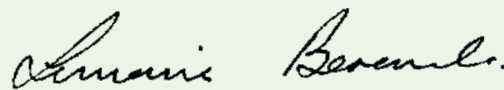
As always, thanks are due to those who help enable ASFA's achievements.

My thanks go to:

- my fellow directors on the ASFA Board, whose commitment and support I greatly appreciate;
- Philippa Smith, ASFA's CEO, and her staff at the ASFA Secretariat who work tirelessly and so effectively on behalf of our members;
- members of our committees and discussion groups, all of whom have demanding full-time jobs but still give freely of their time to ASFA – your "grass roots" input is vital;
- speakers at our various professional development events who are happy to share their expertise for the benefit of the industry as a whole; and
- our generous and loyal sponsors.

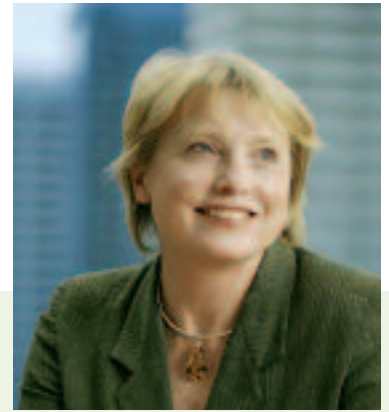
Overwhelmingly, though, my thanks go to you, our members. A strong industry body representing the views and opinions of the broad industry is so important and you help ASFA to be this.

Please enjoy reading this report.



Lorraine Berends
Chair

Chief Executive's report



Philippa Smith AM
Chief Executive Officer

This year has been one of hard work for ASFA, reflecting a period of both opportunity and threat for many in the industry.

Choice of fund, and compliance issues such as APRA licensing and ASIC disclosure, have been the dominant policy themes. These have been played out against the backdrop of a new political era, which will see a weakened Opposition and Senate for the next few years.

In a climate of increasing competition and short-term focus by some with the advent of choice, ASFA has remained focused on the long-term interests of the superannuation industry as a whole, as well as those of fund members and other consumers.

Throughout the year, we have sought to take a proactive stance on the opportunities and challenges for our industry.

Industry focus

While the year has proved to be testing, there is much to be pleased about. At the public and policy levels, awareness and momentum have been building around the need to save more for retirement and the intergenerational issues facing Australia.

Projects such as the Westpac/ASFA Retirement Living Standard are an example of the work we are doing to create awareness and understanding of these important industry issues.

Our strategies have meant that superannuation remains clearly

We see our mission as being able to rise above sectoral differences and look to the public interest to ensure the long-term credibility of the industry.

on the political agenda – and it was particularly pleasing to see the extension of the co-contribution arrangements and removal of the superannuation surcharge. However, more still needs to be done to ensure an adequate level of retirement savings.

We have continued to work at creating a coordinated voice for the industry by facilitating joint submissions with other stakeholders and incorporating the views of all sectors of the industry. We see our mission as being able to rise above sectoral differences and look to the public interest to ensure the long-term credibility of the industry.

But not all of this work is visible to members. Some of ASFA's best policy wins occur behind closed doors, particularly when our technical expertise is called on to comment on draft regulations or policy directions.

Given the new legislation and regulatory regimes confronting the industry, we have been consulting extensively with bureaucrats and advisers, as it is the detail and implementation of regulations that often make or break how practical and cost effective new superannuation arrangements are for funds.

In the lead up to the choice of fund regime, the ASFA policy team invested many hours with key officials to sort out these vital details on both the big picture and seemingly "minor" issues such as the likely paper flows and differences between standard employer sponsored and public offer members.

In all of this work, the distinguishing feature and strength of ASFA is its umbrella status as the 'Voice of Super' and the depth and integrity of our policy, research and member services.

The respect this generates also strengthens our lobbying efforts. Successful lobbying and reform requires a combination of efforts – and is rarely achieved in the short-term. It takes strong research to provide a catalyst for debate, creation of media interest, behind the scenes discussions with politicians and regulators, not to mention persistence and tenacity, to ensure a co-ordinated voice.

Responding to change

While identifying current opportunities and challenges is one thing, a successful industry body also needs to be proactive in preparing for the future and developing tools to assist its members.

ASFA is aiming to provide not only the necessary information to equip members to meet their regulatory and compliance challenges, but also to ensure they are achieving industry best practice.

Our existing program of roadshows is now complemented by a new program of Best Practice Workshops that provide practical guidance on the excellent information contained in our steadily expanding suite of Best Practice Papers.

Choice of fund represents a fundamental change in the superannuation landscape and we are helping our members navigate this by developing new information and support tools. The Best Practice Papers, Workshops and roadshows stand as examples of this. Newly formed discussion groups for Communications and Compliance have also been strongly supported.

We want to ensure that we are setting the standard for the industry and helping all participants to meet the demands and responsibilities inherent in being the custodians of Australian's retirement savings.

ASFA has also provided resources for the wider community on choice of fund. Our website now has a new *Super Guru* section for consumers and employers. Creating information tools such as these helps promote the relative value and benefits of superannuation compared to other investment options.

Despite the current workload, there are additional benefits and services we are providing for our members. A package of initiatives around good member communication has been developed, including the launch of new discussion groups for communication practitioners and a stand-alone event to recognise excellence in our annual Communications Awards.

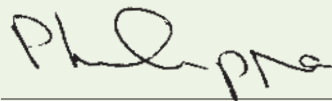
Another important initiative is in the education and training service we provide for members. ASFA's program is often cited as providing the most credible qualifications and training for those in the superannuation industry. We intend to maintain this respected position even as we seek to expand our offering

and delivery options. We are pushing ahead with online services and assessments, tailored workshops and new service offerings designed to meet the new compliance requirements.

The relaunch of our Professional Accreditation Program and the availability of annual CPD summaries also demonstrate our commitment to ensuring the highest standards within the industry.

Going forward, we will also be devoting more resources to the SMSF sector and the professionals who service and support this growing area of the market.

These initiatives reflect our vision to continue to be the leading industry body covering all sectors and aspects of the Australian superannuation industry. The following pages provide more detail on the activities we undertook during 2004–05 in support of the industry.



Philippa Smith AM
Chief Executive Officer

Strategic review

ASFA's key strategic and business objective is to be an organisation that is credible, industry and member focused and sustainable.

To achieve this objective, ASFA has developed a Business Plan for the coming year and a Strategic Plan for the next three years.

These plans are designed to assist with prioritisation of ASFA's activities and help drive our performance and accountability. Detailed business plans are being developed from the Strategic Plan and will help direct the management team towards ensuring the achievement of desired outcomes.

Strategic theme	Strategic objective
Credibility and standing	<ul style="list-style-type: none"> • Reinforce ASFA's standing as a credible, independent and authoritative 'Voice of Super' • Provide independent industry research, identify emerging issues and facilitate strategic policy response and leadership • Advocate policy that is in the public interest
Industry focused	<ul style="list-style-type: none"> • Directly influence political agenda and development of cost-effective and practical regulations and procedures • Promote community understanding and confidence in superannuation and the relative value of superannuation • Promote confidence and trust in the industry for the long-term • Set and promote standards for the industry
Member focused	<ul style="list-style-type: none"> • Provide quality services for ASFA members and respond to their needs • Promote engagement and loyalty of members • Contribute to competence and professional standards of ASFA
Sustainable	<ul style="list-style-type: none"> • Support financial sustainability and viability of ASFA including an effective infrastructure for its operations • Demonstrate good corporate governance practice

ASFA's Super Guru
to fight choice confusion

FINANCIAL STANDARD 4/7//05

'Look in fridge'
prior to super shopping

DAILY ADVERTISER 1/6/05

Report on activities	Plans for the future
<ul style="list-style-type: none"> Released five new and revised Best Practice Papers and three Best Practice Alerts Launched Best Practice Workshop program Active program of advocacy undertaken, with 41 submissions made to government Released 40 ASFA Action newsletters and updates 	<ul style="list-style-type: none"> Expand program of Best Practice Workshops Complete update of ASFA policy planks Continuation of lobbying and advocacy activities Expand activities relating to SMSF funds
<ul style="list-style-type: none"> Ongoing liaison activities with government, bureaucrats and regulators Launch of <i>Super Guru</i> website section to provide information for consumers and employers High/credible media profile Launch of swimEC standards and protocols 	<ul style="list-style-type: none"> Upgrade website with improved functionality, navigation and information Explore industry and research partnerships/projects with ASFA Research Centre
<ul style="list-style-type: none"> Best Practice Program Event and professional development program Education units mapped and new 'occupational' streams developed 	<ul style="list-style-type: none"> Launch revitalised education program Implementation of Best Practice Workshops Hold inaugural Communications Awards night and Communications Forum New online CPD offerings
<ul style="list-style-type: none"> Review and restructure of Board Development of Risk Management Plan and Business Plans Review of pricing policies for all ASFA activities Improved usage of database Establishment of new reserving policy 	<ul style="list-style-type: none"> Increase funding reserve over two-year period Streamline online registrations and payments Implement Board restructure

New rules allow pension and work

WEST AUSTRALIAN 11/4/05

choice to affect pc - ASFA

WEST AUSTRALIAN 7/2/05

Refund the surcharge urges ASFA

WEEKEND AUSTRALIAN 29/1/05

Superannuation: Don't wait until it's too late

THE AUSTRALIAN WOMEN'S WEEKLY MARCH 05

Policy, research and media

One of the distinguishing features and strengths of ASFA is the depth and integrity of our policy and research work, which draws on the technical and practical knowledge of all sectors of the industry.

ACTIVITY	MEMBER AND INDUSTRY IMPACT
Regular meetings with regulators and government representatives on industry issues	Achieved streamlined processes and implementation of new regulatory requirements
Launch of swimEC standards and protocols	Enables fast and efficient processing of data and funds transfer between entities
Launch of new Best Practice Papers and Best Practice Workshops	Sets and encourages higher industry standards and provides practical and usable knowledge tools
Development of Employer Fact Sheets and <i>Super Guru</i>	Provides credible and authoritative information for members, employers and the wider community

Advocacy and lobbying

Meeting with government representatives and regulatory agencies is a key part of ASFA's role in supporting and strengthening Australia's superannuation system. During the year, we undertook an active program of advocacy on a range of issues of importance to the superannuation industry.

We held regular meetings with ministers and parliamentarians, as well as making several appearances at Parliamentary Committee hearings on issues such as the refinement and amendment of the choice of superannuation fund regime.

Meetings with regulators and government departments included discussions with the Australian Prudential Regulation Authority (APRA), the Australian Securities and Investments Commission (ASIC), the Australian Taxation Office (ATO), the Department of Family & Community Services and the Treasury. Topics included the review and refinement of the Financial Services Reform Act regime, APRA trustee licensing, and supervisory levies of the regulators.

In addition, we had frequent informal discussions and liaison with representatives of regulatory agencies, industry associations and key stakeholders to ensure that the views and ideas of ASFA members for refinements and solutions were heard at all levels within the industry. While we may not have been able to change every initiative to suit the way the industry works, ASFA's input is respected and influential as we concentrate on offering workable alternatives designed to streamline processes and reduce unnecessary costs.

Achievements

This year, the outcome of this ongoing dialogue with government and regulators was some important policy successes for ASFA. These included:

- **Expansion of the co-contributions payments for low and middle-income earners** – Securing an extension in the maximum level of the co-contribution to those earning up to \$58,000 represents a major opportunity for those on low and middle-incomes to save more for their retirement.
- **Abolition of the superannuation surcharge announced in the Federal Budget** – Although this legislation did not pass until after the reporting year, the abolition of the surcharge removes a major administrative impost on the industry and will encourage Australians to save more for their retirement.
- **Introduction of more workable phased retirement options** – ASFA has long argued for the need to permit phased retirement to smooth the retirement process and the new Transition to Retirement rules should help this process.
- **Improved fee disclosure arrangements** – Clear disclosure of fees in relation to superannuation is vital in a choice environment and the introduction of dollar disclosure is a major improvement.
- **Amendments to the choice of fund, Financial Services Reform and APRA licensing requirements for more workable arrangements** – While these issues still require further work and consultation, we have achieved major improvements on the initial regulatory requirements and we will continue working to streamline and improve them.

- **Supervisory Levy** – following concerted lobbying by ASFA the final levy rates are much more equitable than originally proposed.

Collaborative efforts

Throughout the year ASFA regularly works with other organisations and stakeholders involved in the superannuation industry to achieve better outcomes for members and the industry as a whole.

These co-operative efforts involve other industry associations, stakeholders and all the segments within the industry to ensure that we present a coherent voice to government. This helps avoid the ‘divide and conquer’ approach often taken by government.

We believe that our role is to rise above sectoral and commercial differences and look to the public interest of consumers and fund members to reinforce the long-term credibility of the industry and its activities. A simple example of this long-term collaborative approach is the swimEC program, where we worked closely with the Investment and Financial Services Association, and the Financial Planners Association (see box).

ASFA is also a member of the ASX Corporate Governance Council and the ASX Index Advisory Panel and our input provides valuable insight into the expectations and views of long-term institutional investors such as superannuation funds.

By working with other groups we can create a stronger voice with government and regulators to ensure that they receive the message from the industry about issues of importance to it.

Overseas activities

Global interest in pensions and retirement incomes, and the high regard in which Australia’s superannuation system is held, means representatives from other countries are frequent visitors to ASFA.

During the year, members of the Policy and Research team met with international delegations from countries such as Tonga and Bhutan, as well as representatives of the Chinese Ministry of Finance.

These meetings provide valuable insights into how other nations are coping with retirement issues and encourage sharing of ideas with industry professionals from other countries.

SwimEC program

The complexity of moving assets and member details around the superannuation system has long been a problem. The vital importance of getting data right in a choice of fund environment has increased the urgency in the industry to move away from the traditional reliance on paper records to an e-commerce environment. The estimated industry-wide cost saving of successful implementation of full electronic commerce is up to \$660 million.

But achieving this seemingly simple goal has taken many years of concerted effort from organisations spanning the entire industry. The project started with the establishment of the SuperEC program, which was tasked with creating the standards and processes required for electronic exchange of superannuation information. This initiative had a governing council comprising ASFA, IFSA, the ATO, and The Association of Payroll Specialists (TAPS). Subsequently the SuperEC program combined with the managed fund industry’s MFundEC program to form the swimEC program, with the FPA also joining the governing council. The program and the governing council now cover the wider financial services sector.

After almost a decade of work by SuperEC and MFundEC the swimEC standards and protocols were formally launched in April 2005 by the Minister for Revenue and Assistant Treasurer, Mal Brough.

Of particular importance was the release of the Superannuation Choice Contributions Standard designed to make superannuation payments to multiple funds easier for employers. They will now be able to electronically transfer contributions and employee information to participating funds as easily as if they were making a payroll transfer to a bank account or paying a bill electronically.

To maximise uptake of the swimEC standards and protocols, they are released free of charge to participants through the swimec.com.au website.

The swimEC initiative is the result of a long-term co-operative effort within the financial services industry and would not have been possible without the ongoing efforts and championing of the project by industry bodies such as ASFA and IFSA.

This collaboration and effort has already been supported by a range of individual companies and administrators. Early adopters of the swimEC choice contributions standard include Colonial First State, ING and KAZ/AAS.

Best Practice Papers and Workshops

ASFA's work in relation to encouraging best practice within the superannuation industry is increasingly important in the current environment of choice of fund and the run up to APRA's new licensing regime. Our work in this area is providing a vital resource for members and setting standards for the industry as ASFA members seek to understand and respond to the new regulatory requirements and increasing community expectations.

With a suite of 24 Best Practice Papers currently available and more being developed as issues arise, members have a significant resource available to them. In addition, occasional Best Practice Alerts provide timely updates for funds on the implications of new legislation and the regulatory changes in areas such as disclosure and content requirements.

These regularly updated papers are an increasingly important resource for members as demonstrated by the number of downloads – in total a massive 57,000 downloads for the Best Practice Papers and Alerts.

To further this valuable work we have initiated a Best Practice Workshop Series. These workshops are designed to allow dialogue at an “advanced” level and to provide practical implementation methods for the areas covered.

The program was launched with a national series of workshops titled Risk Management. The positive response to this initiative means there will be additional Best Practice Workshops on key issues in the coming year.

Technical support

The high regard in which ASFA's policy and research work is held means that there are constant requests for information, presentations and articles from other bodies and professional associations.

During the year, we participated in conferences such as the Superannuation Lawyers Conference, OECD/IOPS Private Pensions in Asia Conference, South Eastern Area Health Service, Australian Institute of Family Studies Conference and the Pensions Investment Association of Canada Conference.

Technical material was also developed for *Superfunds* Magazine, with articles providing in-depth analysis of significant issues facing the industry on topics such as choice, corporate governance and the superannuation surcharge. In addition, the monthly Policy Frontline section within *Superfunds* provides an update for the industry on legislative and regulatory changes and the implications of these developments for funds and industry professionals.

Best Practice Papers

- *Superannuation fund governance: understanding the framework, applying the principles* (version 3) – August 2004
- *Liability insurance for superannuation trustees and funds* (version 4) – December 2004
- *Superannuation and family law: a trustee guide to the splitting regime* (version 2) – March 2005
- *Changing administrators: best practice considerations for efficient fund administration transitions* – June 2005
- *A risk management framework for superannuation funds* (version 2) – June 2005

Best Practice Alerts

- *What funds have to do after 30 June 2004: changes to forms, disclosure material and operating procedures flowing from recent legislative changes* (2nd edition) – July 2004
- *Periodic statements: content requirements for statements prepared on or after 1 July 2005* (version 2) – March & June 2005
- *Disclosure of fees and costs* – April 2005

Commissioned and in-house research publications 2004–05

- *An uncertain future – projecting fees, benefits, compliance costs and market structure* – Presented to the 12th Annual Colloquium of Superannuation Researchers (July 2004)
- *Community attitudes to saving for retirement: overview of main findings and implications* – ANOP Research Services (August 2004)
- *ASFA State of play: issues and policy* (October 2004)
- *What do consumers think? Attitudes to super, savings, retirement and choice* – ANOP Research Services (November 2004)
- *Why can't a woman be more like a man – gender differences in retirement savings* (November 2004)
- *Superannuation and contemporary families – issues of dependence, interdependence and self reliance* – Presented to the 9th Australian Institute of Family Studies Conference (February 2005)
- *Implications of choice of superannuation fund legislation for members, employers and funds* (February 2005)
- *Superannuation licensing – the organisational and industry challenge* – Presented at Superannuation 2005 – National Conference for Lawyers (February 2005)

ASFA Research Centre

Every year the ASFA Research Centre undertakes detailed research to provide the intellectual underpinning for ASFA's lobbying activities and superannuation policy and practice more generally. Drawing on the knowledge of the entire sector, it aims to provide research support for policy makers and policy making. The credibility of its work underpins the high regard given to our submissions and public profile activities. This in turn allows us to develop policy options and help lead and shape the debate on issues of importance to the industry.

The research program this year has focused on key issues facing the superannuation industry and ASFA as the peak industry body. These included both in-house and commissioned research into key topics including:

- The future of the superannuation industry, including fees and charges, compliance costs, future benefit levels and the likely future structure of the industry itself.
- Developing greater insights into community attitudes towards savings and retirement, the main drivers of these views and what they mean for the industry in the future.
- Differences in the savings and retirement patterns between men and women and their implications.
- The impact of contemporary family structures on superannuation, particularly in relation to death benefits and dependency.
- The choice of fund regime and what it will mean for the superannuation industry in relation to member switching, impact on employers and likely winners and losers.
- Challenges created for the industry by APRA's new licensing regime.

Westpac/ASFA Retirement Living Standard

Further work was undertaken to update the very popular Westpac/ASFA Retirement Living Standard released last year. This study benchmarks the annual budget needed by Australians to fund different standards of living in the post-work years. It is updated quarterly to reflect inflation and provides detailed budgets of what singles and couples would need to spend to have either a 'modest' or a 'comfortable' retirement lifestyle.

This detailed information on retiree expenditure provides a unique insight into income requirements in retirement. It is designed to help those saving for retirement to develop a realistic understanding of their requirements, to enable them to set appropriate savings goals to fund their desired retirement lifestyle.

A joint research effort by the Research Centre and the Social Policy Research Centre at the University of New South Wales, the survey remains one of the most popular downloads from the ASFA website. Its popularity indicates the important role ASFA plays in providing detailed information on retirement for Australians so they have the necessary tools to plan and prepare appropriately for their retirement.

Information for employers on choice

The launch of the choice of fund regime represents a major landmark for the superannuation industry and ASFA has worked hard this year to help the various groups affected by the new rules.

Employers are one group that faces considerable challenges from the new regime and ASFA has taken seriously its commitment to providing credible, independent information about superannuation. Fourteen Employer Facts Sheets covering a variety of issues relating to choice of fund from an employer's perspective are now available on our website.

In addition, our Education Unit has joined with Catalyst Communications and Training to provide an inexpensive, independent source of information to employers and employees on choice of fund. The Skilpak Super Choice program provides an online, five-part modular program about superannuation and how to exercise choice. It is designed to help employers understand their responsibilities and help employees to make an informed choice.

Super Guru

Earlier this year we launched a new section on the ASFA website that provides information for the broader community about the workings of the superannuation system. Called *Super Guru*, the new section is a free, online, easy-to-use guide for consumers about almost everything to do with superannuation.

The introduction of choice of fund has meant that consumers are increasingly looking for independent, authoritative guidance. As the peak industry body ASFA seeks to provide this information, both to benefit consumers and as a resource for our members, to which they can direct their members. *Super Guru* is designed to help bridge the understanding gap within the community and assist consumers in making sensible decisions about their superannuation. The information complements the ASFA calculators on the website which continue to be popular.

In its first month of operation *Super Guru* attracted over 21,000 visitors to our website.

Media

Providing a credible independent voice within the media on superannuation issues is an important role for ASFA as it seeks to raise community awareness, explain the role and value of superannuation, and advocate a range of policy reforms.

Our regular ongoing media relations work includes proactively supplying opinion pieces, letters to the editor and regular columns to various newspapers and magazines, as well as other relevant superannuation material to the media.

Key ASFA spokespeople and other staff gave interviews and provided comment for journalists throughout the year on a wide range of key superannuation related topics, including adequacy, choice of fund, financial literacy and the new transition to retirement regulations.

As a further part of our media strategy, we issued over 30 media releases on a variety of issues during the year.

The lead up to the new choice of fund regime meant that media demand for information and informed commentary on superannuation was extraordinarily high. During this period ASFA managed and provided an unprecedented number and range of TV, radio and print media interviews and written commentary on regulatory issues relating to choice, as well as more general information to help consumers to understand the choices they face.

ASFA Employer Fact Sheets

Fact Sheet 1	How choice works
Fact Sheet 2	Who has choice?
Fact Sheet 3	Choice and employers who already give choice
Fact Sheet 4	The default fund
Fact Sheet 5	Default fund and Commonwealth Awards
Fact Sheet 6	Choice and State Awards
Fact Sheet 7	Choice and AWAs or Certified Agreements
Fact Sheet 8	Choice and Western Australia State Awards
Fact Sheet 9	Choice and defined benefit funds
Fact Sheet 10	Choice and changing fund
Fact Sheet 11	Choice and giving advice
Fact Sheet 12	Choice and salary sacrifice
Fact Sheet 13	Choice and portability of account balances
Fact Sheet 14	Choice and Victorian Common Rule Award requirements

ASFA submissions 2004–05

During the year ASFA made 41 submissions to the Federal Government and regulatory bodies on a variety of topics.

Submissions were made to the Treasury, Financial Sector Advisory Committee, Senate Legislation Economics Committee, ATO, APRA, ASIC, Parliamentary Joint Committee on Corporations and Financial Services, Minister for Revenue and Assistant Treasurer and the Infrastructure Taskforce.

ASFA also gave expert evidence to Parliamentary hearings on issues of interest to the superannuation industry. Topic areas for these submissions included:

REVIEWS AND INQUIRIES

- Improvement of the Financial Services Reform Act (FSRA)
- Expenses paid by an employer treated as superannuation contributions
- Consumer & Financial Literacy Taskforce Discussion Paper
- RSE Licensing Fees for Fund Trustees
- Financial System Guarantees
- Dollar disclosure
- Transition to Retirement
- Delivery of product disclosure and investment choice
- 2005–06 Pre-Budget submission
- Unit Pricing
- Provision of pensions in small superannuation funds
- Superannuation preservation arrangements applied to police officers
- Amendments to Choice of Fund legislation
- Infrastructure
- Impacts of amended levy determination framework
- Portability
- Removal of the Superannuation Surcharge
- Superchoice website

BILLS AND REGULATIONS

- Superannuation Industry (Supervision) Amendment Regulations 2004 (No.2)
- Prudential standard for Business Continuity Management (BCM)
- Draft Modification Declaration No. 24
- Choice of Superannuation Fund Regulations
- Tax Laws Amendment (Superannuation Reporting) Bill 2004
- Fee Disclosure Regulations
- Corporations Amendment Regulations 2004–05: Fee disclosure and other regulations
- Breach Reporting Requirements for Fund Trustees
- Standard Choice Form and Exemptions
- Corporations Amendment Bill (No. 2) 2005
- Tax Laws Amendment (2005 Measures No. 2) Bill 2005
- Superannuation (Financial Assistance Funding) Regulations 2005
- Refinements to Financial Services Regulation
- Superannuation death benefits regulations – Refining the meaning of interdependency relationship

Member services

The Member Services Unit acts as the focal point throughout the year for members to become involved in ASFA events and discussion groups, education, professional development and accreditation. Regular telephone and email requests for information, bookings and ASFA publications are coordinated by the team, which is also responsible for maintaining comprehensive membership records in our database.

ACTIVITY	MEMBER AND INDUSTRY IMPACT
Launch of Communications Award Presentation Evening and new Communications Discussion Group	Increased recognition of excellence in member communication and emphasis on professional specialisation
Survey conducted among <i>Superfunds</i> readers to monitor satisfaction	Demonstrated commitment to meeting the information needs of the industry
Professional Accreditation Program relaunched and participation made complimentary	Program is now more accessible to industry participants to encourage greater participation and higher standards
Member listing on website launched	Provides direct links to member websites
New discussion groups launched	Provides information and networking opportunities in the specialist areas of communication, compliance and SMSFs

ASFA Action

Keeping members informed is a vital part of ASFA's work.

A significant mechanism for helping members respond to change is ASFA's regular *ASFA Action* email newsletter and website updates. In a year that saw the announcement of significant legislative and regulatory initiatives, members received 40 *ASFA Action* updates covering topics ranging from trustee liability insurance to choice of fund regulations, web calculators and portability.

ASFA Action also provides an important method of garnering members' input and ideas for incorporation into policy and research submissions and our work with government and regulatory agencies.

Discussion groups

Discussion groups provide ASFA members with an opportunity to participate in informal talks about current issues and developments affecting superannuation. The groups provide a venue for superannuation professionals to network with their peers.

The meetings also provide members with a conduit for their ideas and suggestions to be fed back into ASFA for consideration in setting the policy and research agenda.

During the year 103 discussion group meetings were held and covered areas such as:

- Administration
- Communications
- Compliance
- Corporate Funds
- Employer Funded Superannuation Funds
- Financial Planning
- Fund Taxation
- General Superannuation Issues
- Investment
- Legislation
- Member Services
- Retail Funds
- Small Funds
- Superannuation Accountants

The ASFA website provides details and meeting dates for discussion groups in each capital city.

Superfunds Magazine

As the official monthly publication of ASFA, *Superfunds* plays an important role as an informative, provocative and educational resource for superannuation professionals – particularly ASFA members – and the wider industry. *Superfunds'* editorial policy is to provide readers with a content driven reference publication that includes well researched features covering the key trends and issues within the industry.

As part of this commitment to inform and educate, *Superfunds* now plays a key part in ASFA's Professional Accreditation Program. A new subscription package now provides a package of 11 online quizzes based on articles in each issue. Participants gain points towards their Continuing Professional Development (CPD) requirements. More than 120 members have so far taken advantage of this option.

The online CPD quiz reinforces *Superfunds*' commitment to enhancing the professional development of its readers by providing access to technical information on regulatory and legal issues and developments – and testing this knowledge in an accessible format.

In November, *Superfunds* undertook a survey of its readers to gauge their level of satisfaction with the magazine and identify any opportunities to improve the depth of the editorial coverage. Feedback from readers was extremely positive overall, with a summary of the findings being included in the February issue. The survey demonstrates the editorial team's commitment to ensuring that readers' needs and areas of interest continue to be met.

During the year, subscription numbers remain steady at an average of 2,500 per month, with distribution increasing to over 4,000 for the November ASFA National Conference issue.

Professional Accreditation Program

This year marked the relaunch of our Professional Accreditation Program, designed to encourage people working in the industry to upgrade and maintain their knowledge, skills and ethical attitude.

To retain accreditation, participants must accrue at least 20 points from CPD activities each year, with activities weighted for educational value, technical content and skills learnt.

Entry to the program is now free for employees or officers of ASFA members and for individual members, making it more accessible to the industry as a whole.

Members now receive an annual CPD Points Summary at the end of June to assist with internal company and external compliance requirements, including PS146.

Communications Awards

The prestigious annual ASFA Communications Awards are designed to recognise excellence in member communications. Funds and their marketing agencies are encouraged to submit campaigns that demonstrate the best in electronic or print member communication for review against their peers.

Judged by senior communications practitioners from around Australia, the awards assess how well a communication program is conceived, created and executed for its intended audience. There are three categories: Reporting Communication, Investor Communication and Purpose Communication. Two levels of award may be given – Merit and Excellence.

The growing stature and popularity of the Communications Awards justified a stand-alone awards event this year – a high profile and glittering affair following a lively Communications Forum for industry practitioners.

Held in Sydney in August 2005, the ASFA Communications Forum and Awards Presentation considered the key issues surrounding the changing role of communications within the superannuation industry. The winners are listed below.

As part of a package of initiatives recognising the increasing importance of member communications, ASFA has also established Communications Discussion Groups in Sydney and Melbourne. Both have proved to be extremely popular with industry practitioners.

Category – Reporting Communication

Excellence award – Telstra Super –
'Value' Telstra Super Annual Report 2003–04

Category – Investor Communication

Merit award – Navigator Australia Pty Limited –
superintelligence Magazine

Category – Purpose Communication

Excellence award – REST Superannuation –
"REST makes it easy to transfer your superannuation"

Merit award – FuturePlus Financial Services –
LGSS and EISS – Highway 58 Retirement Roadmap

Merit award – Australian Retirement Fund (ARF) –
"Are you ready for choice?"

Merit award – GESB (Government Employees Superannuation Fund)
– Personalised rollover statements

Member listing on website

Prompted by the choice environment, ASFA has made space available on our website for member companies to be listed, with the option of a direct link through to their own website. By July 2005 some 44% of member companies had taken advantage of this new member service.

ASFA website

The ASFA website continues to provide an easily accessible resource for our members. Over the past year close to 766,000 unique visits and 559,000 downloads were recorded.

The Best Practice series (on the Members Only site) and our new *Super Guru* section on the public site are popular destinations.

This year information related to choice of funds was also particularly sought after.



Top downloads for the year:

<i>Implications of choice of superannuation fund legislation</i> – pub Feb 2005	28,419
Westpac/ASFA Retirement Living Standard – Detailed Budgets – pub Feb 2004	19,645
Westpac/ASFA Retirement Living Standard – Final Report – pub Feb 2004	18,440
Choice of Fund – Employer Fact Sheet 1 – pub Feb 2005	10,363

Best Practice downloads:

All Best Practice Papers & Alerts	57,034
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Top Best Practice downloads:

<i>Superannuation fund governance</i> – pub Aug 2004	7,447
<i>Coping with death and disability</i> – pub Mar 2004	6,099
<i>Clear, concise & effective</i> – pub June 2003	5,956
<i>Superannuation & family law</i> – pub Mar 2005	5,831
<i>Disclosure of fees & costs</i> – pub Apr 2005	4,854
<i>A risk management framework</i> – pub Jun 2003	3,337
<i>What funds have to do after 30 June 2004</i> – pub Jul 2004	3,200
<i>Liability insurance</i> – pub Dec 2004	3,098
<i>Superannuation & family law</i> – pub Oct 2003	2,812
<i>A risk management framework</i> – pub Jun 2005	1,984
<i>Changing administrators</i> – pub June 2005	1,062

Education and training

ASFA offers a comprehensive education program to assist in building the capability of professionals within the industry through formal study, industry workshops, customised corporate training and continuing professional development.

ACTIVITY	MEMBER AND INDUSTRY IMPACT
Launch of new nationally recognised qualifications in superannuation	Industry participants can access qualifications recognised within the Australian Qualifications Framework
Online assessment rolled out for all distance programs	Students are able to undertake assessments in a more accessible and convenient format
Launch of new education unit in insurance	Industry professionals can build their competence in new 'occupational' based areas
Development of three new CPD programs	Industry practitioners can satisfy their ongoing training requirements in a format matching their individual preference

ASFA qualifications are recognised and highly regarded by employers throughout the superannuation industry. Our courses are designed to allow students to understand industry developments and increasing legislative demands, and to meet employers' needs for an educated and technically proficient workforce.

As a Registered Training Organisation, ASFA offers the Diploma and the Advanced Diploma of Financial Services (Superannuation). In addition, we offer courses based around the requirements of FSR, PS146 and allocated pensions.

New programs

From Semester 1 2005, ASFA began offering the following nationally recognised qualifications in its capacity as a Registered Training Organisation (RTO):

- Certificate IV in Financial Services (Superannuation)
- Diploma of Financial Services (Superannuation)
- Advanced Diploma of Financial Services (Superannuation)

ASFA is currently in discussions with Macquarie University regarding the development of a postgraduate program for ASFA Diploma graduates.

Distance programs

Enrolments in our distance programs were lower this year than in the previous year. This is a result of industry consolidation and a trend towards meeting minimum ASIC training requirements instead of completing full diploma qualifications. However, ASFA146 by distance education continues to attract strong enrolments with over 1,600 student enrolments.

Internet development

Online assessment for all distance programs was rolled out during the year. As part of this development, the loading on the final exams in these units was reduced from 75% to 60%, with

40% of the final assessment now coming from assignments. Students must pass the exam to achieve at least a pass grade in a unit overall.

New education units

To continue contributing to the competence and professional development of members, ASFA has developed a new education unit to be launched in Semester 2 2005.

The new unit, ASFA113:Insurance, has been drafted with the assistance of a committee of specialists from the area and will cover insurance related issues for the superannuation industry.

CPD programs

Three new CPD programs have been developed to assist practitioners to satisfy the ongoing training requirements for ASIC's PS146 and APRA's new RSE licensing regimes.

The programs utilise material in *Superfunds Magazine* and our Best Practice Papers, as well as the new CPD Super Update. All the programs incorporate online assessment.

CPD Super Update is a new program allowing participants to update their knowledge of superannuation within the context of changes to legislation, policy developments and administration requirements. On successful completion of an online quiz, participants earn four CPD points towards their annual training requirements. Further programs incorporating online assessments will be developed throughout the coming year.

Workshops (facilitated training)

Demand for facilitated training workshops remains strong, with the training requirements ushered in by the Financial Services Reform (FSR) Act and ASIC's PS146 still generating strong demand for seminars and courses designed to meet the training needs of the industry.

During the year both our corporate and public workshops on ASFA146 and FSR No Advice remained popular, as did the Diploma of Financial Services (Superannuation) (ASFA100, ASFA108, ASFA107, ASFA102). There has also been strong demand for tailored corporate courses.

Participant numbers for training workshops 2004–05

Education workshop	Enrolments
Diploma units (3-day courses)	230
ASFA146 (4-day courses)	310
Short courses (½ & 1-day courses)	300
Total	840

TrusteeKnowHow

ASFA has initiated a number of new programs to meet demand and the requirements of APRA's new licensing regime for both trustees and fund responsible officers. There is increased demand for both public courses and tailored courses for individual trustee boards and we anticipate that this will grow as implementation of the new requirements draws closer.

Trustee training requirements include RSE licensees where programs range from introductory to in-depth superannuation knowledge. The courses include TrusteeKnowHow, Trustee Essentials Certificate, APRA Licensing – An overview of your obligations and our Certificate of Superannuation Trusteeship. They provide a valuable complement to our Professional Accreditation Program.

TrusteeKnowHow is an introductory level, one-day program for trustees and anyone reporting to, or dealing directly with, trustee boards. It assists participants to understand the practices, current trends and policies in the management of funds. It also assists those who need to quickly grasp an understanding of the mechanics involved in setting investment objectives and strategies.

Corporate training

ASFA's public workshops are also delivered at corporate workshops and can be customised to meet the specific requirements of an organisation. Workshops are offered with, or without, assessment and they can be facilitated over consecutive days or over a period of two or more weeks.

Our Education team develops the program content in conjunction with industry specialists. Exercises, activities and discussion are used to cater for different learning styles, with experienced trainers facilitating each course.

During the year we delivered tailored corporate workshops to a variety of employer-sponsored, industry, retail and public sector funds, as well as a number of service providers.

Student numbers

Course	Mode	2000–01	2001–02	2002–03	2003–04	2004–05
Graduates	Diploma of Superannuation Management	70	101	61	71	69
	Diploma of Financial Services (Superannuation)	n/a	n/a	n/a	75	73
Diploma Superannuation Management	Distance	1,339	2,208	2,406	1,825	1,363
	Workshop	n/a	n/a	n/a	32	120
	Corporate & Flexible	n/a	113	417	122	110
ASFA146 Enrolments	Distance	n/a	15	151	359	238
	Workshop	n/a	48	256	530	310
Workplace Assessments	PS146	n/a	11	18	7	9
	PS164	n/a	n/a	n/a	21	4
Training	Superannuation Foundations, SuperKnowHow, TrusteeKnowHow, FSR Overview	442	500	487	357	305
Online CPD	Superfunds, Best Practice, CPD Super Update	n/a	n/a	n/a	n/a	226

Events

To help industry participants prepare and respond to the challenges they face, we provide members with a full suite of professional development events and networking opportunities.

National Conference

The annual ASFA National Conference and Super Expo remains the premier event in the superannuation and retirement industry calendar. Held in Adelaide from 10-12 November, the 2004 conference attracted a total of 1,500 participants, including delegates, speakers, chairs, exhibitors, media, life members, sponsors, VIPs and staff.

The conference theme – *Super: Saving 4 the Nation* – reflected the importance of superannuation as a savings vehicle, as well as the key role it plays for individuals and in building a stronger and fairer nation. This theme was addressed throughout the conference's six keynote addresses and 35 concurrent sessions.

Of the 1,234 delegates, 91% were ASFA members, with the major sector represented being industry funds. Within the delegate group, 70% were superannuation fund trustees, executives and industry professionals.

Once again our overall delegate satisfaction was high, with the evaluation survey showing a pleasing 86% of delegates rated the event as 'good – excellent'. Plenary and concurrent sessions overall received very positive feedback and scores by delegates.

This year the conference dinner was an optional event, with 856 delegates and guests attending and enjoying an evening of entertainment by James Morrison.

The Super Expo also continued to provide a very successful business and networking forum, with over 50 companies showcasing their latest products and services to delegates.

State events

Our State-based committees work tirelessly throughout the year to develop a range of activities for their own state. Each committee organises a mix of events to suit the preferences of

local members and these include lunches, seminars, breakfasts, golf days and trivia nights.

Without the ongoing efforts of local ASFA members it would not be possible to provide such a broad offering of popular and relevant events for the industry.

Around Australia, almost 13,000 people attended 93 events during the year, which is testament to the continuing high delivery standard at these events.

Highlights from the year included:

- presentations throughout Australia on choice of fund;
- Don Stammer's Budget luncheon in NSW and Victoria in May and Queensland's Budget lunch;
- Western Australia's State Conference in June, which had the theme of '*Decisions, Decisions, Decisions*';
- Queensland's annual and very popular Trivia Night in June;
- The Hon. Ross Cameron's luncheon address in NSW entitled 'Investor's Protection and Choice' (August 2004); and
- the Victorian lunch, 'Boomers, Bridges and Seachange Shift' presented by Bernard Salt from KPMG (December 2004).

Roadshows

ASFA's roadshow program is developed by our policy and research team and they travel to each capital city to explain the latest policy developments for the industry.

During the year three roadshows were held with a total of 1,185 delegates attending. *Staying Alive* in July 2004 provided a stock take of issues confronting funds; *Choice Cuts* in March 2005 outlined the key requirements likely to flow from implementation of the choice of fund regime; and our *Licensing Blockbusters* examined the implications and requirements of APRA's new licensing regime.

Attendees at ASFA events 2004–05

	ASFA2004 National Conference (1)	Road- shows (10)	Lunches (53)	Trustee Breakfasts (9)	Seminars/ State Conference (7)	Best Practice Workshops (7)	Xmas Functions (1)	Trivia Night (2)	Golf Days (3)	Total (93)
ACT		64	306			8				378
NSW		302	3,428		129	33			87	3,979
Queensland		185	1,179	135	56	22	91	590	107	2,365
SA		74	470	44		13				601
Tasmania		67	208			10				285
Victoria		361	2,177	324	233	38		168		3,301
WA		132	177		184	24			73	590
National	1,362									1,362
Total attendees	1,362	1,185	7,945	503	602	148	91	758	267	12,861

Administration and finance

Providing appropriate tools that ensure the timely and efficient delivery of services to members and the oversight of ASFA's financial health is a vital part of our support work each year.

ACTIVITY	MEMBER AND INDUSTRY IMPACT
Development of IT support systems and ASFA database	Ensures timely and cost-effective information for Secretariat and members
Increased emphasis on business and strategic planning budget and strategic goals	Ensures closer alignment between operational activities
Development of Risk Management Plan	Helps identify and manage risks
Restructuring of ASFA Board	Demonstrates commitment and leadership in best practice corporate governance

Our activities in relation to the administration and financial management of ASFA are based around providing the infrastructure that allows the organisation to service its members efficiently and effectively, while also ensuring its future sustainability.

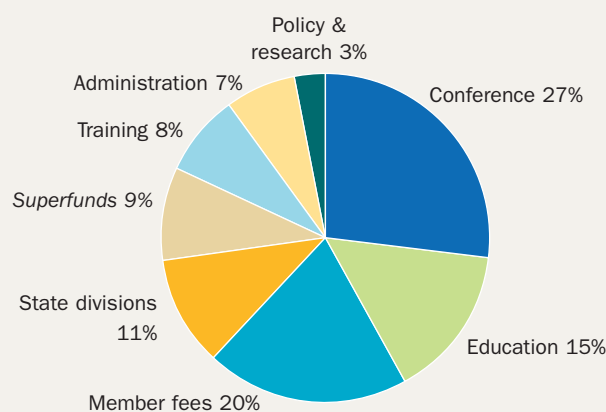
Financial outcome

ASFA's financial performance for the 2005 financial year was solid with revenue of \$7,352,935, an increase of 5.4% over the previous year, but slightly below the budgeted revenue. The surplus for the financial year was \$124,733 compared with, (\$53,865) for the previous year and the budgeted deficit of (\$304,464). The improved result was due to close control of expenses while still delivering the level and quality of services anticipated by the budget.

The balance sheet cash and investments increased for the financial year from \$3,323,406 to \$4,862,365, an increase of 46.3%. This was due in part to earlier invoicing and collection of membership renewals compared with 2004.

The make-up of the superannuation industry is changing with a number of member consolidations taking place. As a direct result of this pressure on member numbers it will be difficult to maintain gross membership fees going forward. ASFA's other sources of revenue are important in order for ASFA to continue providing quality member services. One significant alternative revenue stream is sponsorships. Sponsors provided financial support for a number of events including the ASFA National Conference, State events and Communications Awards. ASFA is very appreciative of this support as it allows a quality of service not otherwise possible.

Revenue 2004-05



Information technology and database

During the year, further work was undertaken on our IT support systems to improve our ability to service members and provide timely information and assistance.

A redevelopment of the ASFA website is in progress and will be launched later this year. This work will result in a fresh, contemporary interface and will provide users with a more powerful and flexible navigation structure. Our website is one of the key mechanisms we have for communicating with members, consumers and other industry participants, and it is vital that it provides users with the functionality and structure to permit them to find the information and tools they are seeking easily and efficiently.

Development work has also commenced on the required IT capability to streamline secure online registrations and payments for ASFA events and our other service offerings.

Further improvements to the iMIS database are also in hand to provide us with additional information about our members, how they use our services and how we can better meet their expectations.



2004–05 Sponsors

ASFA wishes to thank all sponsors who supported our events program throughout the year.

Deutsche Asset Management	Colonial First State
BT Financial Group	Credit Suisse Asset Management (Australia) Ltd
Russell Investment Group Pty Ltd	Grange Asset Management Ltd
QIC	INVESCO Asset Management
National Custodian Services	Rainmaker Information
Trinity Consolidated Group	Members Equity
Comminsure	Financial Synergy Pty Ltd
Schroder Investment Management Australia Ltd	Challenger Financial Services Group
Australian Administration Services	Portfolio Partners Staff Super Fund
Pillar Administration	AMP Superannuation Ltd
Barclays Global Investors Australia Ltd	Perpetual
Aon Consulting Pty Ltd	PricewaterhouseCoopers Services Pty Ltd
BIAM Australia Pty Ltd	Hamilton Lane
Vanguard Investments Australia Ltd	Mercer
ASKIT Consulting	Merrill Lynch
Suncorp Metway Ltd	

Business planning

Greater emphasis is being placed on business planning within ASFA. During the year we expanded our focus on planning to ensure greater alignment between our strategic goals and the operational activities we undertake. This is also assisting with prioritisation of activities and allocation of limited resources.

Going forward this will flow on to the individual business areas, with renewed emphasis to be placed on establishing appropriate key performance indicators and a tight focus on budget management.

Reserving policy

During the year a new reserving policy was established for ASFA to more closely meet the organisation's requirements in the event of a catastrophe. The new policy will see an increase in our reserve cap to just over \$2 million. This expansion is designed to safeguard the organisation and place it on a firm financial footing well into the future.

Risk management

As part of ASFA's approach to risk management, our responsibilities in relation to OH&S, legal, regulatory compliance and operational risk are all monitored regularly. Adequate insurance cover is maintained and reviewed annually to protect the organisation, our members and employees in the event of any claim or accident.

Corporate governance

As an organisation, ASFA is committed to leading the superannuation industry by example through the demonstration of good corporate governance practices.

As part of an ongoing governance review, ASFA has put into play a number of initiatives including an enhanced induction process for new directors of the Board and evaluation of Board operations, which was assisted by KPMG. Following this review and extensive consultations the Board size is to be reduced from 20 members to 10. This will be effective from November 2005.

As part of the focus and enhancement of governance procedures the Board reviewed and updated its Board Charter, Board Code of Conduct and Charters for the Admin and Finance Committee, the Policy Committee and the Member Services Committee.

Additionally, the Member Services Committee has been reorganised in order to provide a more effective forum for dealing with State issues.

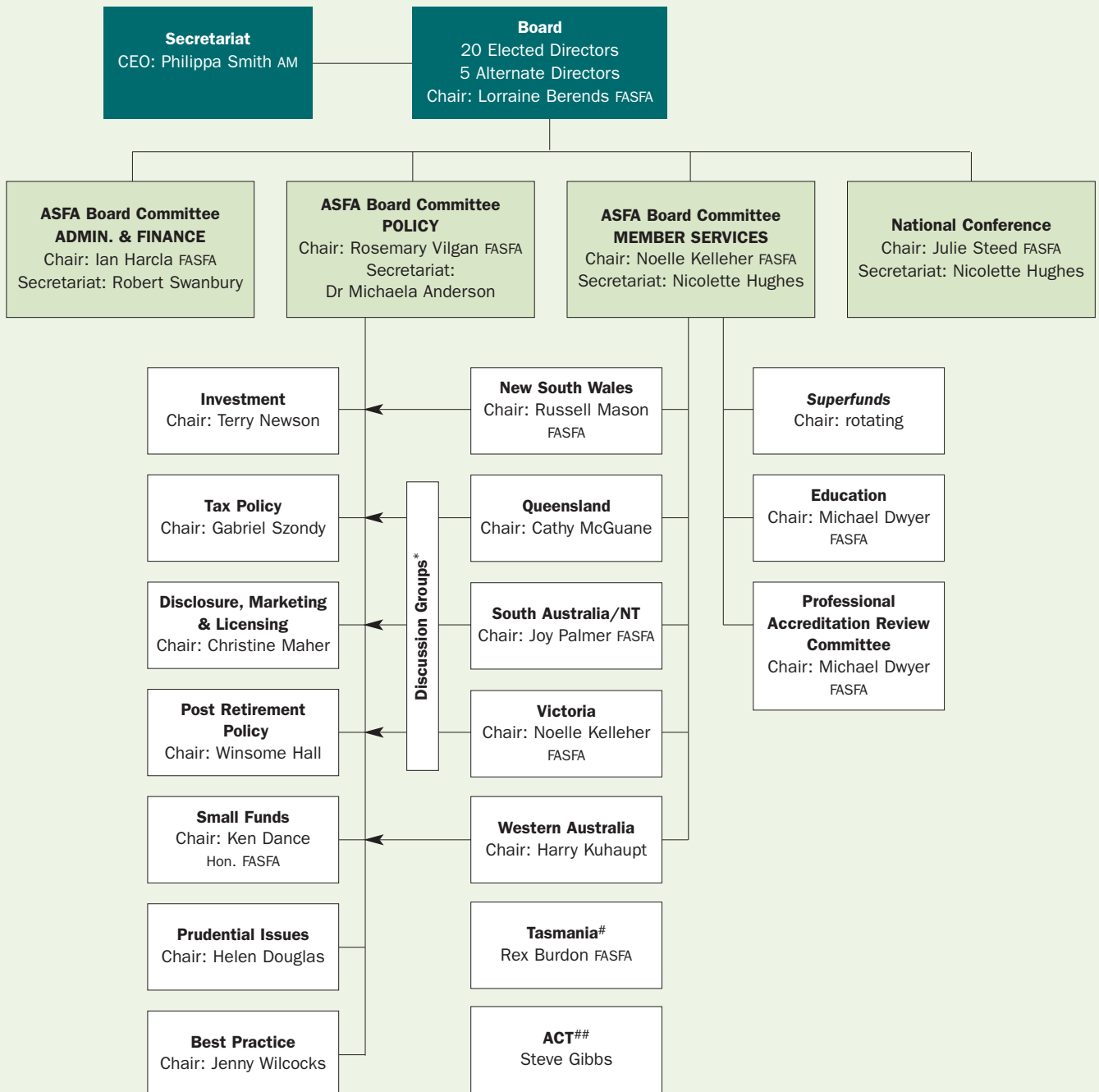
Human resources

ASFA encourages the ongoing professional development of its staff. During the year employees undertook courses in areas such as financial planning, marketing, law, events management and business and office administration.

As part of each employee's annual review process, individual training programs are developed which take into consideration the employee's current skill set, the skills required at present and the future skills the organisation and the employee will need.

In conjunction with the implementation of the corporate governance initiatives, the Board has adopted a Whistleblower Policy. The policy is designed to protect employees (among others) who are acting in the interests of the organisation. This promotes open decision-making and accountability of actions throughout ASFA.

Corporate structure



For Tasmanian events contact Nicolette Hughes (ASFA) or local member rep Rex Burdon, Tasplan.

For ACT events contact Nicolette Hughes (ASFA) or local member rep Steve Gibbs, PSS/CSS.

* The Chair of a discussion group is also a member of a relevant policy committee.

ASFA Board of Directors



Lorraine Berends *Chair*

Service Provider/Fund Representative
Marvin & Palmer Associates, Inc.



Ian Harcla *Administration & Finance Chair*

Industry Fund Representative
Queensland Coal & Oil Shale Mining Industry
Superannuation Fund



Noelle Kelleher *Member Services Chair*

Victorian Division Representative
Ernst & Young



Rosemary Vilgan *Policy Chair*

Public Sector Fund Representative
State Public Sector Superannuation Fund



Neil Cochrane

Industry Fund Representative
REST Superannuation



Ron Davis

Public Sector Fund Representative
SAS Trustee Corporation



Graham Dunstan

Public Sector Fund Representative
Emergency Services Superannuation Scheme



Colin Grenfell

Service Provider/Fund Representative
SuperEasy Pty Ltd



Teresa Hamilton

Retail Fund Representative
MAP Funds Management



Greg Healy

Retail Fund Representative
AMP Corporate Superannuation & Employee
Benefits



David Holston

Service Provider/Fund Representative
JANA Investment Advisers



Christine Keys

Corporate Fund Representative
Sara Lee Superannuation



Harry Kuhaupt

Western Australia Division Representative
WA Fire & Emergency Services Superannuation
Fund



Russell Mason

New South Wales Division Representative
Mercer Human Resource Consulting



Cathy McGuane

Queensland Division Representative
HESTA Limited



Michael O'Donnell

Retail Fund Representative
ING Australia



Joy Palmer

South Australian Division Representative
Public Sector and Commonwealth
Superannuation Schemes



Dennis Phillips

Corporate Fund Representative
National Australia Bank Superannuation Fund



Roslyn Ramwell

Corporate Fund Representative
Harwood Superannuation Fund



Ian Silk

Industry Fund Representative
Australian Retirement Fund

Alternate Directors

Andrew Proebstl

Alternate for Victorian Division Representative
legalsuper

Stephen Freeborn

Alternate for South Australian Division
Representative
Perpetual Investment Management Limited

Ian Burgess

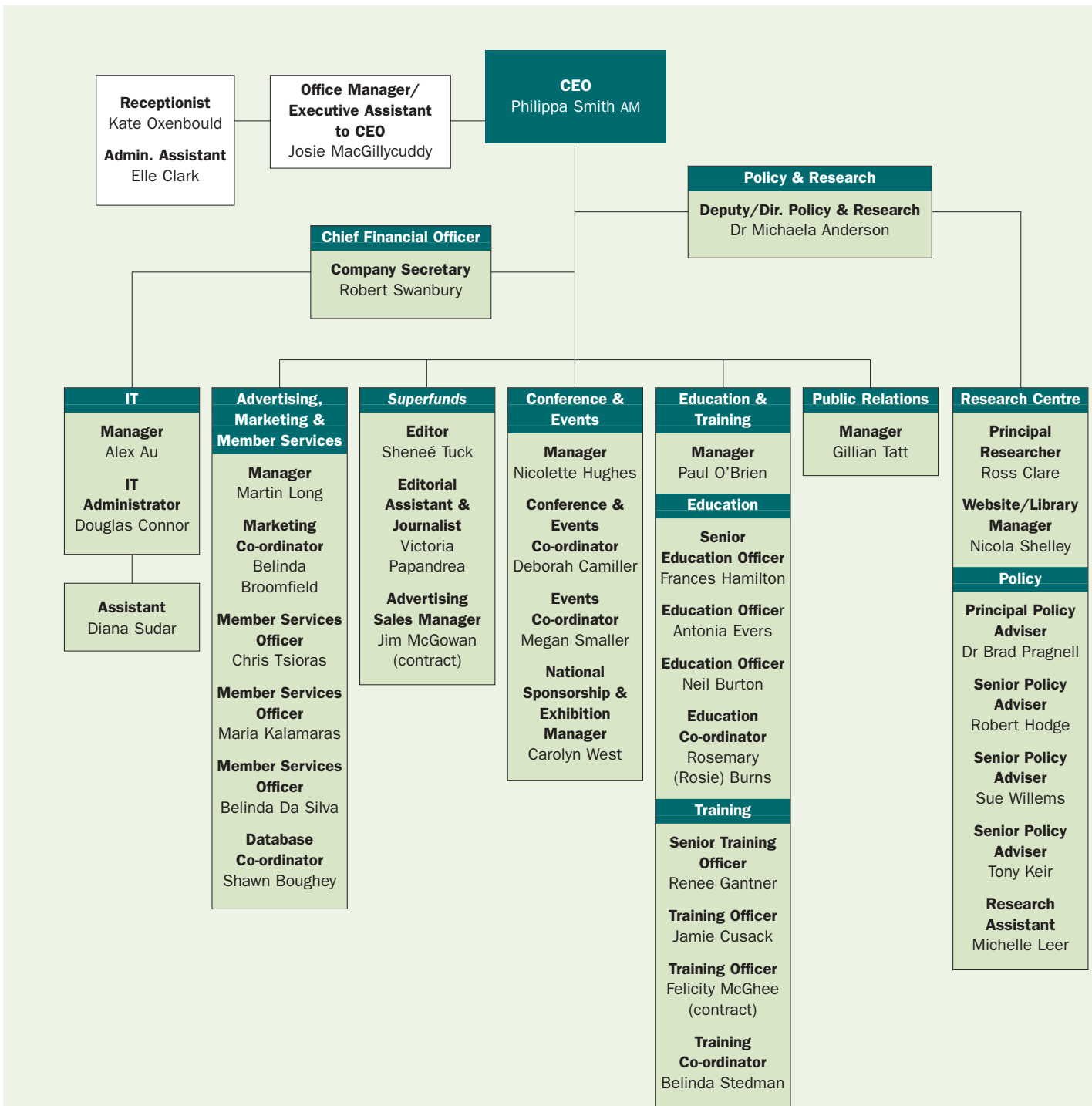
Alternate for Queensland Division Representative
Ernst & Young

Company Secretary

Robert Swanbury (BComm)

ASFA Secretariat

June 2005



ASFA State Division Executive Committees

For the financial year ended 30 June 2005

NSW Division

Russell Mason FASFA (*Chair*)
Mercer Human Resource Consulting

Ron Davis FASFA (*Deputy Chair*)
SAS Trustee Corporation

Andrew Bell
Unilever Australia

Tony Butcher
FuturePlus Financial Services

Neil Cochrane
REST Superannuation

Helen Douglas
Australian Skandia Limited

Michael Dwyer FASFA
First State Super

Jeremy Edmonds
Qantas Superannuation Limited

Winsome Hall
Public Sector and Commonwealth Super (PSS/CSS)

Jacky Herron FASFA
Nestle Australia Group Fund

Ouafaa Karim
Hunter Hall Superannuation Company

Ken Licence
Deutsche Asset Management

Troy Maguire FASFA
IAG

Marcus Markovic
ComSuper

Colin McGuinness
NGS Super

Glen Sanders
MLC Corporate Solutions

Barrie Sundstrom AASFA
AMP Corporate Superannuation

Michael Vrisakis
Blake Dawson Waldron

Laura Wright
Superpartners

Robert Swanbury
ASFA Ltd

ACT Sub Committee

Steve Gibbs (*Chair*)
PSS/CSS

Anne Willenborg (*Secretary*)
PSS/CSS

Peter Bishell
Peter Bishell & Associates

Marcus Markovic
ComSuper

Gillian Reeves
Australian Taxation Office

Phillip Roberts
REI Superannuation Fund

Paul Watson FASFA
MTAA Superannuation Fund

Queensland Division

Cathy McGuane (*Chair*)
HESTA Super Fund

Ian Burgess FASFA
(*Deputy Chair*)
Ernst & Young

Joanne Dwyer (*Secretary*)
Corrs Chambers Westgarth

Gloria Antczak FASFA
City Super Pty Ltd

Lisa Cumberland FASFA
LG Super

Bernard Daly
Sunsuper Pty Ltd

Karen Gibson
ESI Super

Trevor Gordon FASFA
QIC

Neil Kent
UC Super

Don Kofoed
QSuper

Edward Morriss AASFA
AMP Corporate Superannuation

Michael Pennisi
QSuper

Ray Robinson
Superannuation Trust of Australia

Lucas Rooney
Colonial First State Investments

Maree Thomson AASFA
QSuper

Roderick Young
Bundaberg Sugar Ltd
Superannuation Plan

South Australian Division

Joy Palmer FASFA (*Chair*)
Public Sector and Commonwealth Super (PSS/CSS)

Stephen Freeborn (*Deputy Chair*)
BT Financial Group

Lara Gawlik (*Secretary*)
Statewide Financial Management Services

Dascia Bennett
Australian Retirement Fund

Alex Frolow
SA TAB Staff Superannuation Fund Pty Ltd

Merv Littman
Australian Taxation Office

Nino Matkovic
SA Metro Fire Service Super Fund

Randolph Nevis
Superannuation Trust of Australia

David Obst
Super SA

Brenton Opperman
Mercer Human Resource Consulting

Caroline Parkin FASFA
Local Super

Shirley Schaefer
BDO (SA) Pty Ltd

Julie Steed FASFA
Statewide Financial Management Services

Gary Williams
Mercer Human Resource Consulting Pty Ltd

Victorian Division

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Ernst & Young

Alison Anthony
Aviva Australia

Chris Artis
Emergency Services Superannuation Scheme

Stephen Burke FASFA
HESTA Super Fund

Paul Collins
Superpartners

Anita Cowley FASFA
Rio Tinto Staff Superannuation Fund

James Coyle
Telstra Super Pty Ltd

Adrian Donaghey
Toyota Australia Superannuation Plan

Joseph Farrugia FASFA
Catholic Superannuation Fund

Noel Lacey FASFA
Australian Retirement Fund

Tony Miller
Rice Walker Actuaries

Andrew Proebstl
Legal Industry Super Scheme (LISS)

Peter Rowe
Vision Super Pty Ltd

Ross Stephens
KPMG

Gabriel Szondy
PricewaterhouseCoopers Services

Peter Wyatt
Government Superannuation Office

Tasmanian Sub Committee

Reb Burdon AASFA (*Chair*)
Tasplan Super

Alison Dixon AASFA
HESTA Super Fund

Bruce Mason
SMF Funds Management Ltd

Michael Mulley FASFA
Retirement Benefits Fund

Western Australian Division

Harry Kuhaupt (*Chair*)
Fire & Emergency Services Super Fund

Michael O'Donnell FASFA
(*Deputy Chair*)
ING

Danielle Kemp (*Secretary*)
Government Employees Superannuation Board

Michelle Saunders (*Treasurer*)
Ernst & Young

Donna Adam
Western Power Superannuation Fund

Peter Edmiston
Superpartners

Krystyna Hassall
Westscheme

Phillip Nolan
Mercer Human Resource Consulting

Michael Parker
BT Financial Management

Howard Rosario FASFA
Westscheme

Frank Sciarone
Westscheme

Errol Thomson
Catholic Super and Retirement Fund

Russell Wenban
WA Local Government Super Plan

2004 Conference Organising Committee

Plenaries

Lorraine Berends FASFA
Marvin & Palmer Associates, Inc

Tony Cole
Mercer Investment Consulting

David Holston FASFA
JANA Investment Advisers

Dr David Knox
Mercer Human Resource
Consulting

Rosemary Vilgan FASFA
QSuper

Philippa Smith AM
ASFA

Dr Brad Pragnell
ASFA

Concurrents

Julie Steed FASFA (*Chair*)
Statewide Financial Management
Services

Carol Austin
Contango Asset Management

John Carpendale FASFA
LG Super

Michael Corcoran
Australian Administration
Services

Trevor Gordon FASFA
QIC

Winsome Hall
PSS/CSS

Damian Hill FASFA
REST Superannuation

Christine Keys
Sara Lee Holdings

Russell Mason FASFA
Mercer Human Resource
Consulting

Alison McIvor
Australian Retirement Fund

Glen Sanders
MLC Corporate Solutions

Michael Seton FASFA
AGEST

Ros Sumner FASFA
Super SA

Philippa Smith AM
ASFA

Angela Bain
ASFA

Deborah Camiller
ASFA

ASFA members

Past chairs

1961–62	A G Armytage
1962–63	A G Armytage
1963–64	J V Chard
1964–65	J R Harris
1965–66	J R Harris
1966–67	W M M Buxton
1967–68	H F Benning
1968–69	N Ducas
1969–70	J B Nicholson
1970–71	E S Knight
1971–72	A Jamieson
1972–73	R D Osborne (to 21 March 1973)
1972–73	G F Seccombe
1973–74	R G Virgo
1974–75	J L Friend
1975–76	R F McDonald
1976–77	R C McCoy
1977–78	M W Howard
1978–79	B Whittle
1979–80	W M Soding
1980–81	G I Burgess
1981–82	R C McCoy
1982–83	B Don
1983–84	R W Sawkins
1984–85	R B Putnam
1985–86	C J White
1986–87	A A Hauserman
1987–88	P B Foxtton
1988–89	J M McCrory
1989–90	R J Stevens
1990–91	P J Cox
1991–92	K G Dance
1992–93	W M Gray
1993–94	W M Gray
1994–95	K N Lockery
1995–96	K N Lockery
1996–97	P B Foxtton
1997–98	R A Vilgan
1998–99	R A Vilgan
1999–00	R A Vilgan
2000–01	D P Holston
2001–02	D P Holston
2002–03	L H Berends
2003–04	L H Berends

Life Members

G I Burgess
P J Cox
K G Dance
P B Foxtton
J L Friend
W M C Gray
J R Harris
A A Hauserman
M W Howard
M G Jamieson
K N Lockery
R C McCoy
J M McCrory
R F McDonald
J B Nicholson
R C Palmer
M A Perry
H C Prott
R B Putnam
M J Robertson
H F Romanis
G F Seccombe
W M Soding
R J Stevens
O W D Weeks
C J White
B Whittle

Distinguished Achievement Awards

M Devlin	1992
W Gray	1992
D Owen	1992
D Knox	1994
T Carter	1995
K Casey	2000
J Carpendale	2001
T Gordon	2004

Distinguished Service Awards

A Cohn	VIC	1991
P Cooper	VIC	1991
M Howell	VIC	1991
M Goodings	VIC	1993
Y Bell	QLD	1997
R Taylor	WA	1997
N Davis	NSW	1998
J Loveridge	NSW	1998
T Sinclair	VIC	2001
H Young	NSW	2001
J Bird	NSW	2002

The Association of
Superannuation
Funds of Australia Ltd

Level 19, Piccadilly Tower
133 Castlereagh Street
Sydney NSW 2000
Telephone: (02) 9264 9300
Facsimile: (02) 9264 8824

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