



**20
20**

Annual Report

**The Association of
Superannuation
Funds of Australia**

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Strengthening our world-class superannuation system



“Lifting the SG to 12 per cent will ensure the long-term sustainability of our system.”

I am pleased to present the 2019/20 ASFA annual report on behalf of the Board. The past financial year represents one of the most challenging periods that the modern world has faced, and the superannuation industry has not been spared.

The coronavirus pandemic has profoundly disrupted the rhythms of daily life, both professionally and personally, and had severe economic consequences for the national accounts, economic growth and employment, not to mention increased volatility in investment markets.

In the face of these extraordinary shocks, the superannuation industry played an important role in providing stability for markets and reassurance for individual Australians through the delivery of the Government’s temporary early release of superannuation measure. Whether this was the best scheme for victims of the economic repercussions of COVID-19 is open to debate, but there is no question that when called on, our world-class system was able to deliver in difficult circumstances and within a very tight deadline.

Drawing down on private superannuation savings, however, will have long-term impacts especially for individuals but also for the broader economy. To minimise the negative impact on the retirement balances of those who tapped into their superannuation, it is essential that the Government adopt measures to help these individuals rebuild their balances as quickly as possible.

This is one of the reasons there should be widespread support for the legislated increase in the compulsory superannuation guarantee (SG) to 12 per cent. This will not only be beneficial for individuals. Superannuation and its

patient capital underpins our economy, investing heavily in productivity-boosting assets that are vital as we navigate our way out of this economic crisis.

Lifting the SG to 12 per cent will ensure the long-term sustainability of our system. Evidence from around the world tells us that only systems that require everyone to contribute, that are compulsory and universal, will be strong enough to do the heavy lifting for an ageing population and allow the pension to be kept for those who need it most.

The central pillars of compulsion and universality are the reason our superannuation system is so admired around the world. Without those fundamental elements, the system would not be able to deliver on its promise of providing all Australians with a dignified retirement.

We must continue to stay the course with our aspirations for a system that provides numerous and broad benefits – for the Australian government, the Australian economy and most importantly for the broader Australian population. Especially in these anxious times, where the impending impact of unemployment and the economic downturn create strong headwinds for long-term retirement outcomes.

I look forward to working with the ASFA Board to bring forward the evidence-based, hard thinking that will allow us to engage all our stakeholders, ensuring we are responsive at all times to the expectations and the standards that the community expects of us.

A blue ink signature of Dr Michael Easson AM, written in a cursive style.

Dr Michael Easson AM
ASFA Chair

Superannuation delivers in moment of crisis



“The critical role that superannuation funds have played in the crisis is testimony to the importance of deep pools of responsible, patient capital invested at scale.”

In the decades to come, 2020 will be regarded as a critical inflection point in the evolution and maturing of Australia’s superannuation system. The year began with funds grappling with the fall-out from Protecting Your Super (PYS), Putting Members Interest First (PMIF) and other legislation. Very quickly however, superannuation funds were mobilising to support working Australians in financial hardship and provide capital to sustain industry and support the recovery.

Even before the announcement, ASFA and its members were working with Treasury, the ATO, RBA, ASIC and APRA to address the myriad challenges presented by the Government’s early release scheme. While media and public scrutiny was on early release, funds were providing desperately needed liquidity and support to capital markets. Superannuation funds participated in ASX capital raisings, injected additional funding into the infrastructure, energy, property, and other assets they held directly and provided support to credit and bond markets. As iconic Australian companies came to the ASX for capital raisings, Australia’s superannuation funds delivered. Superannuation stepped up and leaned in, in the moment of crisis.

For individual fund members, the volatility in capital markets around the world was a further test of the system’s resilience. With strong liquidity management, effective hedging and diversified asset allocations, fund members were protected from the worst ravages of the dislocation in asset prices. By the end of the financial year in June, the vast majority of members in APRA-regulated superannuation funds had survived with their retirement savings intact and secure.

The critical role that superannuation funds have played in the crisis is testimony to the importance of deep pools of responsible, patient capital invested at scale. Managed by investment professionals under the governance of committed trustees, superannuation funds could take a long-term view on assets and investment decisions and bridge the temporary dislocation in prices for the long-term benefit of fund members and the economy. With the Government balance sheet deployed to support fiscal stimulus, superannuation can play a complimentary role in building back and accelerating the transitions which the COVID-19 crisis has brought to our cities, our health infrastructure, our work, and the wider environment.

As we wait for the Government to release the Retirement Income Review it is important that the stabilising role of superannuation is recognised. The superannuation system can be improved but this must be done in a considered and measured manner. A misguided short-term focus on system fees and efficiency borne of political expediency, risks undermining our ability to withstand future shocks and risks impoverishing all of us in the long term.

I would like to take this opportunity to thank the members of all the policy sub-committees, working groups, and our broader membership who helped us as we grappled with early release and many other policy changes during the year. I look forward to working with you over the coming year to advocate for strong, robust and sustainable retirement outcomes.

A handwritten signature in black ink, which appears to read "Martin Fahy". The signature is written in a cursive, flowing style.

Martin Fahy
ASFA CEO

Who is ASFA?

The Association of Superannuation Funds of Australia (ASFA) is the peak policy, research and advocacy body for Australia's superannuation industry. We have been operating for 58 years and represent all sectors of the industry – retail funds, industry funds, corporate funds, public offer funds and service providers to the industry.

As a not-for-profit, non-political organisation, ASFA is ideally positioned to work closely and credibly with politicians, regulators and the media.

We don't advocate one sector's interests over the other. Rather we analyse the system as a whole and focus on developing policy that enhances the financial security and retirement income of all Australians and builds the credibility of the industry as a whole.

Our vision

To ensure all Australians are financially confident about their retirement.

Our mission

To continuously improve the super system, so all Australians can enjoy a comfortable and dignified retirement.

Our purpose

To help achieve the best retirement outcomes for members of superannuation funds through the development of good public policy and industry best practice.

Securing better policy outcomes with evidence-based advocacy

The ASFA policy team had a full agenda throughout the course of 2019/20, helping shape better policy outcomes and industry practice on behalf of its members and the Australian public.

The team lodged 29 policy and technical submissions, prepared six research papers, a Best Practice Paper, and consulted widely with members through Policy Councils, Advisory Committees and working groups.

Advocacy focus

With the Productivity Commission and Royal Commission both leading to a range of measures being either legislated or foreshadowed, along with intense regulator scrutiny and public debate about the role of superannuation, it was a challenging year for superannuation.

A number of COVID-19 related policy changes also were put in place, including special early release provisions for superannuation. APRA also substantially increased reporting requirements for funds.

The ASFA Policy team played an active role in advocating on superannuation legislation and policy directly with members of Parliament and via appearances before Parliamentary Committees.

The ASFA team emphasised to Committee members that “People don’t want to have the lifestyle of their parents or grandparents in retirement; they expect and deserve more, and that’s what superannuation is delivering”.

Advocacy efforts spanned multiple issues throughout the 2019/20 financial year, including:

- the importance of increasing the Superannuation Guarantee to 12

per cent, as legislated, in delivering a comfortable and dignified retirement

- the practical implementation of the Royal Commission recommendations relevant to superannuation, focusing on ways of ensuring that fund members truly benefit
- the crucial role of insurance in superannuation given that it is the only form of life and disability insurance that most people have
- the role of superannuation investments in supporting business activity and employment in the Australian economy and in supporting liquidity and stability in Australian financial markets
- the need for early release procedures to be as efficient as possible while at the same time protecting against the risk of fraud through the ATO properly assessing the identity and eligibility of applicants

ASFA at the House of Representatives Economics Committee hearing held on 22 November 2019.

ASFA team members from left to right: Glen McCrea, Deputy CEO and Chief Policy Officer; Martin Fahy, CEO; and Ross Clare, Director - Research and Resource Centre



A key advocacy focus was the importance of lifting the Superannuation Guarantee to 12 per cent

- the need for APRA's powers and assessment of member outcomes to truly reflect the interests of fund members
- expressing a range of concerns with the proposed Protecting Your Super and Putting Members' Interests First measures, such as the need for a dangerous occupation exemption and for elections for insurance to be maintained under PYS to be recognised for PMIF
- the need for the design of the SG compliance and amnesty proposals to balance the needs of both employees and employers.

COVID-19

Given the impact of COVID-19 related challenges, the ASFA Policy team advocated for changes to the timetable for implementing policy changes, such as the Royal Commission recommendations for superannuation. A change in timing was necessary so that funds could focus on measures that delivered clear benefits to fund members during this difficult period, such as the processing of millions of early release claims and dealing with the investment challenges flowing from volatile markets. The Government announced a six-month deferral to implementing the Royal Commission recommendations.

ASFA published weekly economic analysis of the emerging impacts of the pandemic. This analysis examined both local and global impacts as well as reporting on government policy measures supporting economic activity and employment. The Economic Insights videos made available to ASFA members took a deeper dive into issues addressed in the weekly analysis.

Retirement income adequacy and increasing the SG to 12 per cent

Australia has a retirement income system that is the envy of most countries in the world but despite this fact, some organisations and individuals have undertaken misleading analysis to 'talk the system down'.

ASFA provided evidence pointing to the success of the Australian system and how moving the SG (Superannuation Guarantee) to 12 per cent is necessary for more people to achieve the standard of living in retirement they want and deserve.

The evidence provided by ASFA, included in a June 2020 Research Paper, also pointed to the positive role played by investment by superannuation funds in the economy and the role collective investments by superannuation funds will play in recovery from the COVID-19 downturn in economic activity.

Retirement Income Review

ASFA prepared two submissions for the Review, including one on the benefits of the compulsory system. The submissions focussed on how compulsory superannuation is improving adequacy of retirement incomes, reducing Age Pension expenditures and providing capital for Australian businesses and investment.

The ASFA Board and Secretariat met with Retirement Income Review panel members, and ASFA was also involved in a research workshop conducted by the Review secretariat.



“As well as taking pressure off the Commonwealth’s finances, compulsory superannuation has broader positive impacts on the Australian economy”

– Key finding from ‘The Benefits of Australia’s Compulsory Superannuation System’ research paper released June 2020.

'Protecting Your Super' and 'Putting Members' Interests First'

ASFA expressed a range of concerns with the proposed measures and the commencement date for the changes.

This advocacy led to a 1 April 2020 start date (revised from 1 October 2019) for the 'Putting Members' Interests First' legislation.

Royal Commission into banking, superannuation and financial services

ASFA prepared submissions in regard to draft legislation seeking to implement a range of Royal Commission recommendations. In particular, attention was given to avoiding unintended consequences, and also the need to deliver benefits to fund members from any changes. ASFA also met with Treasury in regard to a number of the recommendations.

Policy and technical submissions

ASFA made 29 policy and technical submissions during 2019/20. Some of the key issues addressed included:

- questions raised in the Retirement Income Review Consultation Paper and the positive role played by superannuation in retirement incomes and in the economy
- ASFA proposals for the 2020/21 Budget
- Royal Commission recommendations on strengthening breach reporting; enforceability of financial services industry codes; no hawking of financial products; and strengthening regulators
- Royal Commission recommendations on regulator roles; the Financial Regulator Oversight Authority; ASIC directions power; and establishing a Compensation Scheme of Last Resort
- the implementation of the Financial Accountability Regime (FAR)
- advice fee consents
- financial Regulator Coordination and Information Sharing
- APRA's Superannuation Data Transformation project
- making insurance claims handling a financial service
- remuneration requirements for APRA-regulated entities
- financial Institutions Supervisory Levies methodology
- internal dispute resolution
- financing Build-To-Rent housing.

Research and reports

The ASFA Policy team produced six reports during 2019/20 to help shape policy and demonstrate that our superannuation system is working exceptionally well in terms of providing current and prospective benefits to fund members and the economy more generally.

1	Experience to date with the early release of superannuation
2	The benefits of Australia's compulsory superannuation system
3	Implementing the Protecting Your Super and Putting Members' Interests First changes
4	Investments in the retirement phase
5	Snapshot of account balances
6	Environmental, Social and Governance (ESG) Factors in a Superannuation Context

Impact of advocacy efforts

Consistent with ASFA’s recommendations, the government or regulators adopted the following positions and/or amended legislation.

✓ Exemption and deferrals

Exemption and deferrals of certain Royal Commission recommendations

Successfully advocated for an exemption to the Royal Commission’s recommendation on “No other role or office” for investment vehicles, such as managed investment schemes, special purpose vehicles and pooled superannuation trusts, that are only open to members of the registrable superannuation entity.

Successfully advocated for the deferral of the implementation of certain Royal Commission recommendations due to the impacts of COVID-19.

✓ CGT relief

CGT relief for super mergers

Capital gains tax relief for merging superannuation funds is now permanent.

✓ Introduction

Introduction of voluntary transfers to ATO

Successfully advocated for voluntary transfers to be able to be made to the ATO given Eligible Rollover Funds are to cease.

✓ Changes

Changes to APRA Pandemic Data Collection

As a result of ASFA advocacy various changes were made to the data collection, including commencement date, the methodology by which due dates were determined and changes to some data items.

✓ Amendment

Amendment to PMIF legislation for successor fund transfers

Successfully advocated for the Government to amend the Putting Members’ Interests First legislation to recognise members’ decisions about their insurance when their account is transferred through a successor fund transfer (SFT).

✓ Extension

Extended lead time for Internal Dispute Resolution changes

ASFA recommendations led to an extended lead time for substantial changes to Internal Dispute Resolution (IDR) standards and recognition of the challenges of complex superannuation complaints.

We also achieved further consideration of proposed IDR reporting requirements.

✓ Clarification

Clarification and process improvements around early release

Successfully advocated for APRA clarifying trustee responsibilities in regard to early release, for adoption of a new rule by AUSTRAC providing that funds do not have to undertake additional due diligence when the ATO has approved a payment. We also supported ASIC’s decision to expand the coverage of intra-fund advice to cover advice around early release. All of these provided significant relief for funds and administrators.

Achieved a deferral from the ATO for the scheduled statement day and payment day for unclaimed superannuation monies which also assisted early release processes.

Helping members manage complex regulatory change

ASFA-ASP Services' unique collaboration model, which brings superannuation administrators, software providers and regulators together to co-design complex regulatory change programs, served members extremely well during another year of transformational change.

Four substantial regulatory programs needed to be implemented quickly and efficiently during the 2019/20 financial year; Protecting Your Super, Putting Members Interests' First, AusKey migration to myGovID and Early Release of Super.

The extent and pace of change introduced during 2019/20 was perhaps the biggest ever and left little to no time for consultation or preparation. This challenging environment affected everyone in the industry, introduced risk, additional cost and the potential to negatively impact the superannuation fund member experience.

By collaborating with key stakeholders to identify the most efficient and effective way to implement these regulatory changes, ASFA-ASP Services played a lead role in bettering outcomes for ASFA members and superannuation members alike.

Strong partnerships improve outcomes for members

ASFA-ASP Services' partnership with the Australian Taxation Office (ATO), which has been developed over the past 10 years, continues to be very strong and productive in bettering outcomes for ASFA members and superannuation fund members alike.

Members of ASFA-ASP Services saw tangible benefits of early engagement in co-designing solutions with the ATO in response to these reforms, specifically:

- greater certainty as quickly as possible
- early insights for informed interpretation and decision making
- immediate access to, and collaboration with, like-minded practitioners
- reduced risk and cost and greater efficiency

- fraud mitigation through information sharing
- better experience for superannuation members.

Our partnership with Services Australia (formerly Department of Human Services) also continues to develop strongly. ASFA-ASP Services' members report superannuation account balances to Services Australia twice a year, and as a result of collaboration through workshops, data quality has improved significantly resulting in an improved member experience. Services Australia has reported considerable positive impact to their clients as a result of the collaboration.

ASFA-ASP Services works closely with the Gateway Network Governance Body to ensure superannuation data is transacted efficiently through the super ecosystem. ASFA is a co-sponsor member in relation to the GNGB's role in managing the integrity, security and effectiveness of the Superannuation Transaction Network through a Memorandum of Understanding made with Gateway Operators in the superannuation industry.

ASFA EVENTS

Keeping the industry connected and informed

ASFA's extensive range of events – covering state-based events, national roadshows, the annual ASFA Conference, and discussion groups – allows ASFA to serve the superannuation industry in a way no other organisation can match.

State-based and national events

Over 4,000 people were informed about high-profile issues impacting superannuation at ASFA events held during the 2019/20 financial year.

Stand-out in-person events, other than the ASFA Conference, included the National Policy Roadshow, and the Spotlight on Insurance event. These events attracted over 350 and almost 300 participants respectively.

32
events held across
the country

4,000+
event attendees

Virtual events introduced

To help the superannuation industry maintain connection with one another and gain insights into the far-reaching implications of the COVID-19 crisis, ASFA pivoted from physical to virtual events once the pandemic hit. This allowed members to gain up-to-the-minute insights into hot topics such as the early release of super, insurance, the future of super and cyber risks during a pandemic.

800
attendees at eight
virtual events

Discussion groups

Over the year, ASFA hosted over 70 Discussion Groups, with attendance reaching record highs during the months of May and June.

Attendee feedback indicates that ASFA's Discussion Groups are highly regarded by members and highly relevant in the current market.

71
discussion
groups held

"I think there is scope for a number of these types of events given the far reaching impacts across the superannuation industry from the pandemic."

"It's great that ASFA is keeping professional development during these times. It should also consider running events in this format post COVID-19 as it is a convenient way to attend them."

Breaking new ground

Living up to its name as the premier superannuation event, the 2019 ASFA Conference provided new, innovative content and attracted the attention of mainstream media.

The 2019 ASFA Conference was another huge event with more than 1,700 participants taking part including delegates, exhibitors, sponsors, speakers, chairs, staff, and media. Over 40 international delegates participated in the Conference representing 11 countries; Canada, China, Germany, Tonga, Hong Kong, New Zealand, PNG, Singapore, Tuvalu, UK and USA.

Held at the Melbourne Convention Centre from 13-15 November, the Conference allowed delegates to explore the five big forces impacting superannuation— culture, change, compliance, customer and competition. An outstanding line-up of high calibre

local and international experts prompted meaningful discussion around how to make Australia's retirement system even better. One of the most highly anticipated keynotes was delivered by APRA's Helen Rowell, who chose to unveil APRA's new heat maps at the ASFA Conference. Founder of the Kindness Factory, Kath Koschel, delivered an inspiring story about the power of kindness and also made an appearance on Channel Ten's The Project from the Conference.

Bringing in the voice of the member

A series of videos featuring superannuation fund members were shown throughout the conference to bring their voices into the room at the 2019 ASFA Conference.

These videos featured real fund members responding to questions about their superannuation, retirement, investments and insurance. Many conference delegates asked for a copy of the video to show their teams when they got back to the office after the event.

Program innovation

With 34 sessions, including keynotes, parallels, and workshops, there truly was something for everyone at the 2019 ASFA Conference. This included three new learning formats designed to deliver even greater levels of engagement and audience interaction.

The three new learning formats introduced for the first time this year were:

- Dialogue in the Dark – a session run by Guide Dogs Victoria
- LEGO® SERIOUS PLAY®
- Out of the Blue – a theatre production on mental health and suicide awareness.

Highest ever overall satisfaction

The overall satisfaction rating for the 2019 ASFA Conference was 97%, the highest score of any other ASFA Conference. Achieving this result is a testament to the quality of the content and experience delivered at the conference.

The 2019 ASFA Conference featured 'Remember the member' videos.



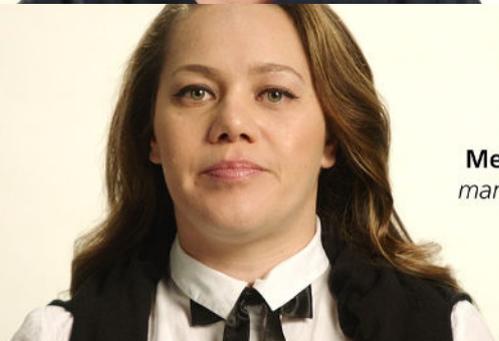
Beverly
semi-retired



Judy
nurse



Phil
retired



Melissa
manager

1,700+
participants

40
exhibitors

97%
overall
satisfaction rating

83%
of delegates were CEOs,
trustees or senior executives



“I have done 2000+ speeches and the ASFA Conference in Melbourne was for sure in the top 0.1% when it comes to organisation and execution. Top notch all around! In 2019 I did 55 speaking assignments in 24 countries on 5 continents and the ASFA Conference was my highlight of the year.”



Minimising disruption to critical workplace learning

ASFA Learning’s extensive online training solutions meant that superannuation funds did not have to press pause on critical learning despite needing to move to remote working.

Decades of experience in superannuation, training, education, and compliance, as well as a strong strategic focus developing agile digital products, allowed ASFA Learning to provide a best-in-class learning experience throughout a challenging period that called for a quick response to the COVID-19 pandemic.

Strong online learning capabilities

A highlight of 2019/20 was the ability of ASFA Learning to continue providing courses and workshops to the industry without disruption despite COVID-19 lock downs.

This was due to the scope of our existing online offering with all courses (excluding Masterclass) already being offered in an e-learning format, SuperCPD being an existing online CPD solution, and our capability to transition existing workshops quickly and smoothly into ‘virtual workshops’.

Virtual workshops were conducted as an interactive, live learning experience, where participants could engage with industry-leading presenters and their peers just like they would at a face-to-face workshop.

Ongoing updates and enhancements

ASFA Learning also continued to update, enhance and expand its portfolio of courses, nationally recognised qualifications, and professional development solutions throughout 2019/20, ensuring members continued to have access to relevant industry-focused learning solutions. During the 2019/20 year, several

new virtual workshop offerings were launched; Investment governance, Managing privacy obligations during COVID-19, Claims handling in times of crisis, Super industry update.

ASFA Learning continued to invest in its digital e-learning offering with three new e-learning products launched; Certificate IV in Financial Services, Super complaints handling and Factual information vs financial product advice.

The investment in expanding our offering, together with our focus on revising and refreshing existing courses, highlight our commitment to raising the skills and standards of superannuation professionals across all levels of the industry.

1,800+

people trained

130+

organisations engaged
ASFA Learning

1,000+

active SuperCPD subscribers

450+

people certified to provide
general advice

Rigorously challenging superannuation's critics

In 2019/20, ASFA continued to influence national policy debate about Australia's retirement system, with government and regulators, and to raise awareness of the benefits of our compulsory superannuation system for individual retirement outcomes and the broader national economy.

ASFA maintained its strong level of audience engagement, with thousands of ASFA news and opinion stories appearing across print, digital, radio and television media outlets.

When COVID-19 hit in March, ASFA accelerated efforts to advocate for the important role superannuation is playing in providing critical long-term capital necessary for Australia's post-pandemic economic recovery.

Key media achievements

- Raising awareness of the unintended consequences of the COVID-19 early release stimulus scheme.
- Rigorous evidenced-based advocacy for the legislated rise in the Super Guarantee to 12%.
- Advocating for greater transparency around the MARIA modelling at the heart of the Retirement Income Review.
- Publishing the quarterly ASFA Retirement Standard as a cost of living guide for individuals and couples.
- Consumer outreach with Australians in regional and remote areas to share tips on boosting retirement balances.
- Contrasting the success of Australia's retirement system against OECD peers.
- Raising awareness around superannuation as a long term investment vehicle.

Social media

ASFA increased its social media presence in 2019/20, using LinkedIn and Twitter to amplify its media and policy advocacy. By creating compelling video content and driving conversations with evidenced-based research, ASFA reported higher levels of engagement and a marked rise in social media followers.

ASFA doubled its social media impressions at the 2019 ASFA Conference in November, achieving 115,000 impressions across the three-day event, supported by the amplification of keynote speaker video clips.

300,000
Twitter impressions
per quarter on
average

50%
of new LinkedIn
followers were senior
leaders in financial
services

Key media mentions

"ASFA cautions against raiding super for crisis"

The Australian, 10 March 2020

"Superannuation funds should only be used as 'last resort' in coronavirus crisis" ABCRadio, 24 March 2020

"Super funds say new laws are overkill"

The Australian Financial Review, 6 February 2020

"Time to release super's single source of truth"

The Australian Financial Review, 13 November 2019

"Renting in retirement? Here's how much super you'll need"

Canstar, 16 December 2019

Putting key information at people's fingertips



28,000+
downloads of the ASFA
Retirement Standard



36
ASFA Action emails



163
new *Superfunds* articles published



231,451
unique Super Guru
website visitors



8,671
followers on LinkedIn



196,945
unique views of ASFA website

Solid financial performance

Financial performance

Despite not being able to deliver face-to-face events or learning courses between March 2020 and June 2020, ASFA managed to achieve a break-even result for FY20 and maintained its strength in its balance sheet and cashflow.

Risk management

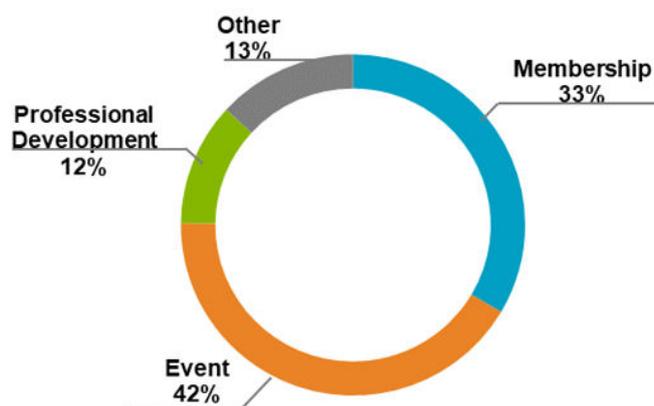
The ASFA Board continues to set a low level of risk tolerance and monitors risk management practice throughout the year.

Governance

We are committed to leading the superannuation industry by example through good corporate governance policies. The leadership team and the Board ensure that these policies are adhered to.

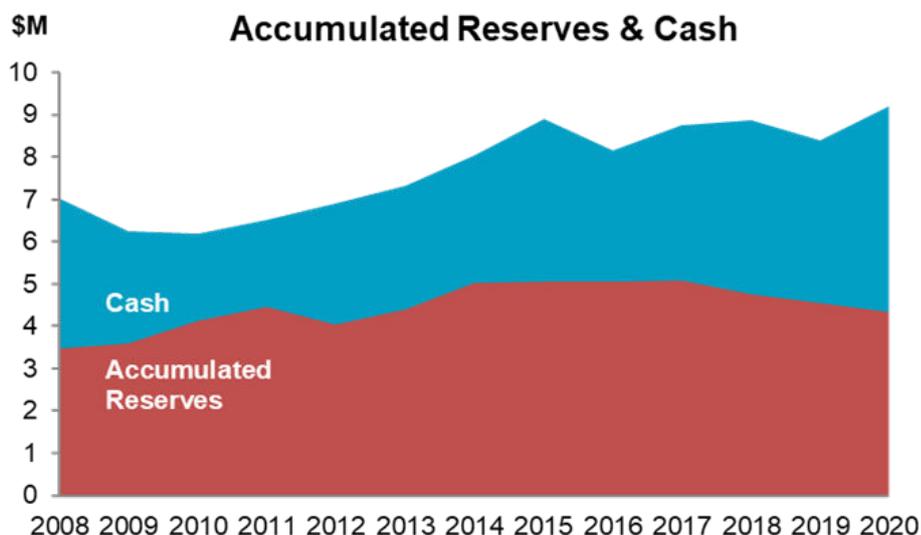
Revenue stream

The mix of revenue for the 2019/20 financial year was as follows:



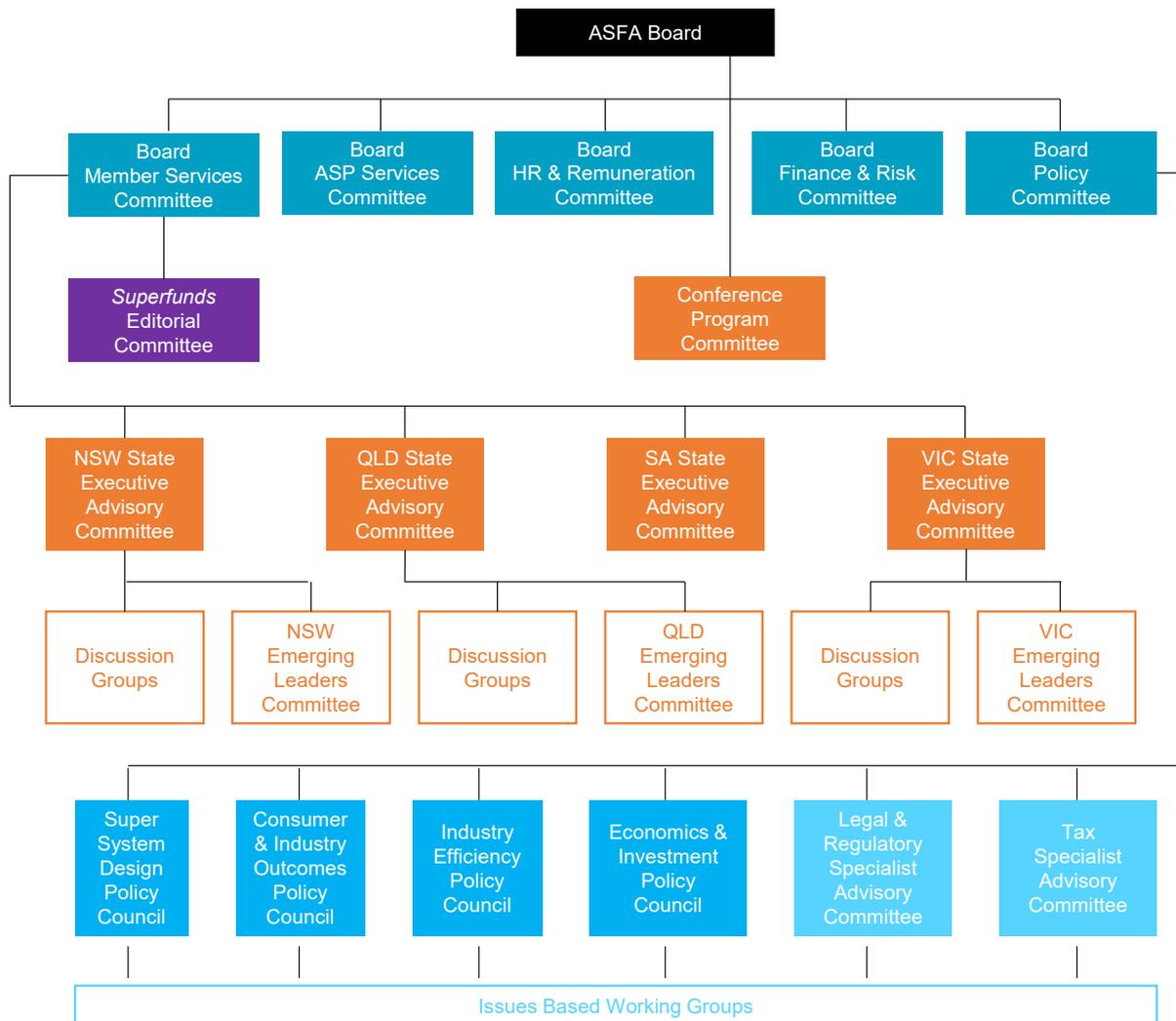
Management of reserves

ASFA manages its reserve position in accordance with its reserve policy, which requires that we have sufficient reserves available to meet balance sheet liabilities, property lease commitments and other contingencies. This policy was adhered to during 2019/20 financial year. Both Balance sheet and cash reserves were maintained to be well above reserve requirements. The accumulated reserves and cash positions at the end of June 2020, relative to prior year are as follows:



Our governance structure

ASFA ensures it has effective governance by providing all categories of ASFA members with an opportunity to contribute. The ASFA Board and state executive committees have an election process and the Board has an Independent Chair.



Gender diversity profile

		2016 %	2017 %	2018 %	2019 %	June 2020 %
ASFA Staff	Female%	72	67	58	67	69
	Male %	28	33	42	33	31
Board	Female %	18	18	36	45	45
	Male %	82	82	64	55	55
Leadership	Female %	57	43	43	50	57
	Male %	43	57	57	50	43

Board of directors

AS AT 30 JUNE 2020



Dr Michael Easson AM

Executive Chair, EG

Independent Chair

Policy Committee Chair

Finance & Risk Committee member

Human Resources & Remuneration Committee member

Appointed July 2015



Jo-Anne Bloch

Partner and Leader, Mercer Administration Services

Director

Service Provider Representative

Industry Efficiency Policy Council member

Policy Committee member

Appointed April 2019



Andrew Boal

Chief Executive Officer, Rice Warner

Director

Service Provider Representative

Policy Committee member

Conference Committee Chair

Appointed November 2019



Peter Carrigy-Ryan

Chief Executive Officer, Commonwealth Superannuation Corporation

Director

Public Sector Fund Representative

Economics and Investment Policy Council Chair

Policy Committee member

Appointed November 2017



Michael Clancy

Chief Executive Officer, Qantas Superannuation

Director

Corporate Fund Representative

Finance & Risk Committee Chair

Human Resources & Remuneration Committee member

Policy Committee member

Appointed December 2015



Chris Davies

Chief Executive Officer, Telstra Super

Director

Corporate Fund Representative

Human Resources & Remuneration Committee Chair

Member Services Committee Chair

Policy Committee member

Super System Design Policy Council Chair

Appointed November 2014

Board of directors

AS AT 30 JUNE 2020



David Elia
(Fellow of ASFA)

**Chief Executive Officer,
HOSTPLUS**

Director
Industry Fund Representative
Finance & Risk Committee member
Policy Committee member

Appointed November 2012



Melinda Howes

**General Manager
Superannuation, BT Financial
Group**

Director
Retail Fund Representative
Industry Efficiency Policy Council
Chair
Finance & Risk Committee member
Policy Committee member

Appointed November 2017



Kelly Power

**General Manager, Product,
Colonial First State**

Director
Retail Fund Representative
Policy Committee member
Conference Committee member

Appointed November 2019



Leanne Turner

**Chief Executive Officer,
MTAA Superannuation Fund**

Director
Industry Fund Representative
Policy Committee member

Appointed March 2018



Deanne Stewart

**Chief Executive Officer, First
State Super**

Director
Public Sector Fund Representative
Policy Committee member

Appointed November 2018

Past Chairs

1961-63 A Armytage	1982-83 B Don
1963-64 J Chard	1983-84 R Sawkins
1964-66 J Harris	1984-85 R Putnam
1966-67 W Buxton	1985-86 C White
1967-68 H Benning	1986-87 A Hauserman
1968-69 N Ducas	1987-88 P Foxton
1969-70 J Nicholson	1988-89 J McCrory
1970-71 E Knight	1989-90 R Stevens
1971-72 A Jamieson	1990-91 P Cox
1972-73 R Osbourne (to 21 March 1973)	1991-92 K Dance
1973 G Seccombe	1992-94 W Gray
1973-74 R Virgo	1994-96 K Lockery
1974-75 J Friend	1996-97 P Foxton
1975-76 R McDonald	1997-00 R Vilgan
1976-77 R McCoy	2000-02 D Holston
1977-78 M Howard	2002-05 L Berends
1978-79 B Whittle	2005-08 R Vilgan
1979-80 W Soding	2008-09 G Healy
1980-81 G Burgess	2009-13 A Lally
1981-82 R McCoy	2013-15 J Minto

2019/20 Board changes

There were several changes to the composition of the ASFA Board during the 2019/20 financial year. These changes are listed below.

- The appointment of Andrew Boal in November 2019.
- The departure of Linda Elkins in November 2019.
- The departure of John McMurtrie in November 2019.
- The appointment of Kelly Power in November 2019.

Farewell to outgoing Board members

We extend sincere thanks to our two outgoing Directors for the valuable contributions they made during their time on the ASFA Board.



Linda Elkins

Director from 2015 to 2019, representing retail funds. She served as a member of the Human Resources & Remuneration Committee and the Policy Committee.



John McMurtrie

Director from 2018 to 2019, representing service providers. He served as a member of the Policy Committee.

Thank you

ASFA would like to acknowledge the following people and organisations for their contribution.

ASFA State Executive Committees

NEW SOUTH WALES

Brian Zanker FASFA (Chair)

Mercer

Gerard Parlevliet FASFA, TFASFA (Deputy Chair)

Prime Super

Susan Alexander

AustralianSuper

Edmond Cheuk

Tria Investment Partners (resigned Dec 2019)

Leonie Curtis

AMIST

Zein El Hassan

KPMG

Ben Facer

NGS Super

Adam Gee

GROW Super

Steve Hill

First State Super

Lindy Hunt

Club Plus Super

Mark Hoven

Individual Member

Wayne Lowe

FNZ

Troy Maguire FASFA, TFASFA

IAG & NRMA Superannuation Plan (resigned Dec 2019)

Josh Manning

Manning Asset Management

Russell Mason FASFA

Deloitte (resigned Dec 2019)

Edward Salloum

Rest Super (resigned Aug 2019)

Wendy Tse

MetLife

Harry Wall

Individual Member

QUEENSLAND

Anthony Schiavo FASFA (Chair)

Mercer

Kathryn Zuber (Secretary)

AustralianSuper

Margit Rosenthal AASFA (Deputy Chair)

QSuper (resigned Jul 2019)

Lisa Cumberland (Deputy Chair)

BUSSQ (resigned Jun 2020)

Liz Brunetto

UniSuper

Ann Maree Deakin

LINK Group

Joanne Dwyer

Jones Day

Jenni Erbel

MAP Master Superannuation Plan (resigned Jul 2019)

Russ Hanlon

AMP

Alan Hegerty

AMG Super

Rogier Heijens

QSuper (resigned Jul 2019)

Garnett Hollier

LGIASuper (resigned Jun 2020)

Glenn Jenkins

Mercy Super (resigned Jun 2020)

Hayley Lyons

QIC

Andrew Nicholson

Sunsuper (resigned Dec 2019)

David Redford-Bell

QIC (resigned Dec 2019)

Patrick Twomey

Sunsuper

SOUTH AUSTRALIA

Keiran Netting (Chair)

Statewide Superannuation Pty Ltd (resigned Jan 2020)

Jane Dharam (Chair)

Funds SA

Darren Ball

KPMG

Moamen Bayoumy

PwC

John Montague

JANA

Kieron Paris

Statewide Superannuation

Caroline Patrick

Super SA

Shirley Schaefer FASFA

BDO

Julie Steed FASFA

IOOF Holdings

Rebecca Townsend

Australian Super

VICTORIA

Ross Stephens (Chair)

KPMG

Sean McGing (Deputy Chair)

Individual member

Alison Anthony

LUCRF Super

Norlena Brouwer

HOSTPLUS

Nadine Dey

LINK Group

Tom Gordon

AIA Australia

Karen Henricus

Mercer

Vicky Maguire

AustralianSuper

Lauren O'Neill

JANA

Jonathan Steffanoni

QMV Solutions

Liz Westover

Deloitte

Henry Lyons

Dimensional (resigned Dec 2019)

Lawrence Soo

VicSuper (resigned Dec 2019)

Discussion Group Chairs

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FINANCIAL CRIME

Andrew Margetts

Vision Super

NEW SOUTH WALES

LEGISLATION

Stephen Lamy

IOOF

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First State Super

Josh Manning

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QUEENSLAND

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Mercy Super

VICTORIA

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Novigi

INVESTMENT

Tom Frederik

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Dina Kosmidis (Co-Chair until March 2020)

JANA Investment Advisors

LEGISLATION

Natalie Cambrell (Co-chair)

HWL Ebsworth

Sanela Osmanovic (Co-chair)

HWL Ebsworth

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Mark Harrington FASFA

ESSSuper

MEMBER SERVICES

Murray McKay FASFA

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Ian Pepper

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TelstraSuper

SMSF

Narree Brooks (Co-chair)

PwC

Liz Westover (Co-chair)

PwC

Josh Rundmann (Deputy Chair)

IOOF Holdings

Thank you

ASFA would like to acknowledge the following people and organisations for their contribution.

Policy Councils

CONSUMER & INDUSTRY OUTCOMES

Andrew Boal FASFA (Chair)
Rice Warner

Louise du Pre-Alba (Acting Chair)
AustralianSuper

Timothy Anderson
UniSuper

Jane Barrett
Cbus (resigned Sep 2019)

Jim Bulling
K&L Gates

Lisa Butler-Beatty
CBA

Virginia Dowd
SuperEd (resigned Sep 2019)

Cathy Duloy
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Linda Elkins
KPMG

Tom Garde
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Michael Huskisson
Catholic Super

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Sunsuper

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CBA

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ANZ

Julie Slapp
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Ann Smith
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Nidia Stoik
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Amy Ward
AvSuper (resigned Oct 2019)

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David Bell Consulting

Jason Collins
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JP Morgan

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Zoe Heath
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Capital Group

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Graeme Miller
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Mark Pankhurst
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Prime Super

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Rice Warner

Troy Rieck
LGIA Super

Fintan Thornton
Colonial First State

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Michael Berg
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Sarah Burley
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Nick Callil
Willis Towers Watson

Robbie Campo
Cbus

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BlackRock

Jeremy Cooper
Challenger

Brendan Daly
Rest Super

Louise du Pre-Alba
Australian Super

Tom Garcia
AustralianSuper (resigned May 2020)

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Mercer

Alisa Higgins
AMP Services

Caroline James
IOOF

Kelly Kerr
AMP Services

David Knox
Mercer

Gideon Lipman
Colonial First State

Ian Lorimer
UniSuper

Rory Marsh
Aberdeen Standard Investments (resigned Aug 2019)

Shane Mather
Sunsuper

Lisa Neaves
MLC (NAB Wealth) (resigned Feb 2020)

Jason Nyilas
Aberdeen Standard Investments

Nicolette Rubinsztein
Trustee Director

Justin Sadler
Link Group

Ann Smith
First State Super

Tim Steele
NAB

Kylie Turner
CBA

Paul Watson
HOSTPLUS

Thank you

ASFA would like to acknowledge the following people and organisations for their contribution.

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Brenda Mills (Chair)

Rest Super

Michelle Borg

BT Financial Group (Westpac)

Louise du Pre-Alba

AustralianSuper

Alison Gordon

Mercer

Ellen Liondis

Mercer (resigned Dec 2019)

Alison McLeod

BT Financial Group (resigned Mar 2020)

Kerry Mulley

NGS Super

Nicole Osborne

PricewaterhouseCoopers

Vanessa Pallone

Clayton Utz

Alana Scheiffers

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QMV Solutions

Phillip Turner

MinterEllison

Amy Ward

MTAA Super

Steve Whiteling

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Bevan Grace (Deputy Chair)

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Deloitte

Ross Stephens

KPMG

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Cbus

Peter Zorbas

Commonwealth Superannuation Corporation

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Tria Investment Partners (resigned Dec 2019)

Harry Wall (Chair)

Janus Henderson Investors

Mathew Keeley (Deputy Chair)

GROW Super

Irene Chia

Rest Super

Meray El-Khoury

Sunsuper (resigned Dec 2019)

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First State Super

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JANA Investment Advisers

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Manning Asset Management

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Media Super (resigned Feb 2020)

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Matthew Lester (Deputy Chair)

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UniSuper

Penny Ferris

First State Super

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Mercer

Henry Lyons

Dimensional

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QIC

Amie Barrett

IFAA (resigned Jan 2020)

Victoria Clements

LGIAsuper (resigned Dec 2019)

Steven Hack

BUSSQ (resigned June 2020)

Michael Huskisson

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NGS Super

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Sunsuper

Gina Somers

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Deloitte

Jacki Ellis

First State Super

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PFS (resigned Oct 2019)

Tim Jenkins

Mercer

Angie Mastroppolito

(resigned Nov 2019)

Graeme Mather

Schroders

Jenny Oliver

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Deborah Potts

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Harry Wall

Janus Henderson Investors

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Telstra Super

Brian Zanker (Deputy Chair)

Mercer

Deanne Stewart (Board Representative)

FSS Trustee Corporation

Jane Dharam

Funds SA

Russell Mason FASFA

Deloitte

Kieran Netting

Statewide Super (Resigned Jan 2020)

Anthony Schiavo

Mercer

Ross Stephens

KPMG

Thank you

ASFA would like to acknowledge the following people and organisations for their contribution.

2019 Conference Committee

Andrew Boal FASFA (Chair)

Rice Warner

David Atkin

Cbus Super

Nick Callil

Willis Towers Watson

Jeremy Cooper

Challenger

Lisa Cumberland

BUSSQ Building Super

Martin Fahy

ASFA

Scott Hartley

Sunsuper

Nicolette Hughes

ASFA

Tony Keir FASFA

ASFA

Annalisa Kirby

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Mercer

Hayley Lyons

QIC

Vicki Maguire

AustralianSuper

Wendy Mak

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Morpheus Ventures

Glen McCrea

ASFA

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First State Super

Maree Pallisco

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Nicolette Rubinsztein

Trustee Director

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AustralianSuper

Wayne Sullivan FASFA

Frontier Advisors

Leeanne Turner

MTAA Super

Thank you

ASFA would like to acknowledge the following people and organisations for their contribution.

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Jon Alder

Bravura

Byron Bostock

Colonial First State

Joshua Cross

ANZ Onepath

Stevhan Davidson

Sunsuper

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Peter Johnson

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Kelly Kerr

AMP

Steven Leach

Unisuper (resigned Dec 2019)

Nigel McCammon

Link Group

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UniSuper

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ASFA-ASP

Paul Larsen

ASFA-ASP

Danny Parker

ASFA-ASP

Glen McCrea

ASFA

Hans van Daatselaar

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Bravura Solutions

Challenger Limited

Corrs Chambers Westgarth

Creativa Videos

CSC

Ernst & Young

Funds SA

Integrity Life

IQ Group

KPMG

LINK Group

Macquarie Group Limited

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MetLife

Minter Ellison

MLC Life Insurance

National Australia Bank Limited

OnePath Life

Pacific Life Re (Australia) Pty Limited

PwC

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SS&C Technologies

TAL

Tasplan Ltd

WA Super

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Ken Dance Hon. FASFA

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Bill Soding Hon. FASFA

Ray Stevens Hon. FASFA

Pauline Vamos ASFA AIF, FASFA

Rosemary Vilgan FASFA

Owen Weeks Hon. FASFA

Chris White Hon. FASFA

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Valentina Abbott

Link Group

Arthur Antonellos

HOSTPLUS

Callan Applebee

Telstra Super

David Ashley

AMP Services

Nicholas Brennan

Mercer

Geoff Briggs

MLC (NAB Wealth)

Ray Buckland

AMP Services

Thanh Bui

MLC (NAB Wealth)

Mark Butterworth

Cbus Super

Stuart Campbell

MLC (NAB Wealth)

Anthony Campbell

Cbus Super

Daniel Churilov

KPMG

Chris Claessen

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Justin Colley

Australian Catholic Superannuation and Retirement Fund

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Link Group

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Mark Drury

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Simon Eade

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IOOF

Matthew Halfacree

AMP Services

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Christopher Hope

Mercer

Anneliese Hughes

Link Group

Phillip Hunt

AustralianSuper

Sally Kotsa

AMP Services

Mel La Brooy

Legal Super

Kevin Lee

Guild Trustee Services

Benjamin Lim

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Sinead McKechnie

NGS Super

Heather-Ann Morris

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Neville Pearce

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David Peterson

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AMP Services

Jenna Russell

Mercer

Vishal Shah

Mercer

Paul Shen

IRESS

Brian Smith

WA Super

Margaret Soutter

Mercer

Craig Stubbs

Mercer

Angela Thurstans

APRA

Patricia Villareal

Rest Super

Michael Wagner

AMP Services

Lynda Welgus

AMP Services

Acknowledgement

Fellows of ASFA

Wayne Adams MLC (NAB Wealth)	Marcus Carr Mercer	Steven Gaffney Aon
Doug Adie MLC (NAB Wealth)	Alexandra Carter Westpac Institutional Bank	Dawn Garrett Mercer
Flavio Alessio HESTA	Joanne Caruana Mercer	Philip Gellie AMP Services
Kathy Alexander	Trevor Challenor AMP Services	Darren Gilby MTAA Superannuation Fund
Pat Alifracco SS&C Technologies	Tuesday Chan MLC (NAB Wealth)	Maged Girgis Minter Ellison Lawyers
Pinar Altinova-Aboud	Ross Clare ASFA	Michael Gomersall AMP Services
David Anderson Mercer	Leanne Clarke Link Group	Trevor Gordon
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Maria Bande TWUSUPER	Lara Cseh Australian Executor Trustees	Colin Grenfell
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Jane Barrett Cbus Super	Grant Currie	Julie Guettler
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Paul Beckmann Sunsuper	Maria Dalton Sargon	Geoffrey Hall AMP Services
Christopher Beilby Mercy Super	Bernard Daly Sunsuper	Graeme Hall IOOF
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Stephen Berry HOSTPLUS	Noel Daniell NGS Super	Terri Hamilton Sunsuper
Diana Bertram Mercer	Allan Davey AustSafe Super	Mark Harrington ESSSuper
Michael Betts Sunsuper	Bill Davis IOOF	Robin Harris (Hon. FASFA)
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Michael Bloomfield Retirement Fund Board	Brian Delaney QIC	Scott Hartley
Andrew Boal Rice Warner	Silas Dingiria AvSuper	Greg Hassett AMP Services
Michael Bulner Mercer	Sarah Drury	Alan Hauserman (Hon. FASFA)
Bob Burgess (Hon. FASFA)	Michael Dwyer	Colleen Hay Ibiss
Murray Burns AustralianSuper	Jon Echevarria BT Financial Group	Greg Healy
Nathan Buttigieg Christian Super	David Elia HOSTPLUS	Karen Henricus Mercer
Jane Byrne PFS Consulting	Rebecca Ellis CommInsure	Damian Hill
Gregory Cantor Australian Catholic Superannuation and Retirement Fund	Bill Esslemont Commonwealth Bank Of Australia	David Holston
Karen Carney AMP Services	Joe Farrugia	Melinda Howes BT Financial Group
	Emery Feyzeny REI Super	Bradford Hutchinson Mercy Super
	Peter Foxtan (Hon. FASFA)	Jim Ioannidis
	Katie Frazer UniSuper	Murray Jamieson (Hon. FASFA)
		Christopher Jensen AMP Services
		Bruce Jones AMP Services

Acknowledgement

Fellows of ASFA (continued)

Katharine Jordan

Mercer

Craig Keath

Mercy Super

Anthony Keir

ASFA

Noelle Kelleher

Vision Super

Carol Keller

Prime Super

Alan Kent

SA Metropolitan Fire Service Superannuation Scheme

Paul Kessell**Nicole Killen**

Mine Super

Skye King

NGS Super

Jo Klingberg

CareSuper

George Kogios

Prime Super

Nick Kouteris

MetLife Insurance

Philip La Greca**Noel Lacey**

Cbus Super

Paul Lau

Commonwealth Bank Of Australia

Bernadine Lawrence

Netwealth Investments

David Levy

Telstra Super

Maria Li

Rest Super

Ellen Liondis

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Ken Lockery (Hon. FASFA)**Ian Lorimer**

UniSuper

Andrew Lovett

Mercer

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Cbus Super

Peter Lynch

AMP Services

Paul Lynch

Australian Catholic Superannuation and Retirement Fund

Tay MacNabb

AustralianSuper

Russell Mason

Deloitte

Louise Matthews

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John McCrory (Hon. FASFA)**Stephen McKay**

Sunsuper

Murray McKay**Antony Mian**

State Street Australia

Steven Miller

Telstra Super

Brenda Mills

Rest Super

John Montague

JANA Investment Advisers

Iain Muir

Rest Super

Allan Murphy

BOC Gases Superannuation Fund

Peter Nancarrow

Catholic Super

Mark Newman

Vision Super

Andrew Nunn

MLC (NAB Wealth)

Nicole Osborne

PricewaterhouseCoopers

Kym O'Brien

Commonwealth Bank Of Australia

Bernard O'Connor

NGS Super

David Orford

Optimum Pensions

Eugene O'Sullivan**Dion Owen**

AMP Services

Jane Panton

UniSuper

Anthony Pawson**Carol Peacock**

Sunsuper

Geoff Peck

Chant West

Cindy Pedersen

Mine Super

Gary Peirce

Fire and Emergency Services Super Fund

Ian Pepper

AustralianSuper

Dawson Petie**Maria Popov**

JANA Investment Advisers

Howard Prott (Hon. FASFA)**Robert Putnam (Hon. FASFA)****Ratna Ratnakumar****Dimitrios Repanis**

Vision Super

Sara Rhodes

ASFA

Paul Richards

BUSSQ

Peter Robertson

Maritime Super

Howard Rosario**Dean Rose**

Legal Super

Julie Roughley**Stephen Rowbottom**

Mine Super

Peter Rowe

Optimum Pensions

Darren Royals

Lutheran Super

Shirley Schaefer

BDO Services

Anthony Schiavo

Mercer

James Scott

AMG Super

Naomi Scott

Rest Super

Jonathan Sedawie

Cbus Super

Stephen Sefton

Munich Re

Jon Shevket

Mine Super

Mark Sladden

AMP Services

Philippa Smith

First State Super

William Soding (Hon. FASFA)**Cora Speed**

Sargon

Julie Steed

IOOF

Jonathan Steffanoni

QMV Solutions

Sara Stidworthy**Joe Storto**

Mercer

Daniel Strachan

Mercer

Neale Sturt

Australia Post Super Scheme

Wayne Sullivan

Frontier Advisors

Barrie Sundstrom

AMP Services

Bradley Tallents

MLC (NAB Wealth)

Wendy Tancred

Mercy Super

Lewis Tassone

HOSTPLUS

Paul Thompson

Cbus Super

Simone Thompson

ST Consult

Patrick Toffoli

HESTA

Janet Torney

Club Plus

Wendy Tse

MetLife Insurance

Charmaine Twomey

IFAA

Patrick Twomey

Sunsuper

Grant Tyndall

IRESS

Nathan Urbanski

Mercer

Pauline Vamos**Hans Van Daatselaer**

ASFA

Peter Venn

MLC (NAB Wealth)

Acknowledgement

Fellows of ASFA (continued)

Linda Vickers
BUSSQ

Rosemary Vilgan
Haleigh Vinicombe
Sunsuper

Michelle Wade
AvSuper

Paul Watson
HOSTPLUS

Peter Webster
Sunsuper

Owen Weeks (Hon. FASFA)

Juliet Wenden

Kaye Wheatley-Brown
Legal Super

Chris White (Hon. FASFA)

David Wiener
Colonial First State

Janine Wright
Mercer

Brian Zanker
Mercer

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Christine Cameron
Maple-Brown Abbott

Laura Langan
Frederick Lee
BOC Gases Superannuation Fund

Adam Nettheim
Commonwealth Superannuation Corporation

Trustee Fellows of ASFA

Kerry Adby

Jodie Baker

Ronald Beard
Sargon

Matthew Condon
Catholic Super

Neil Costley

Christine Feldmanis

Wayne Grant
Catholic Super

Scott Hawker
Perpetual

Justine Hickey
Catholic Super

Jennifer Leslie

Troy Maguire
IAG & NRMA Superannuation Plan

Tom May
Australian Ethical

John O'Donnell
Mercy Super

Brendan O'Farrell
Intrust Super Fund

Gerard Parlevliet
Prime Super

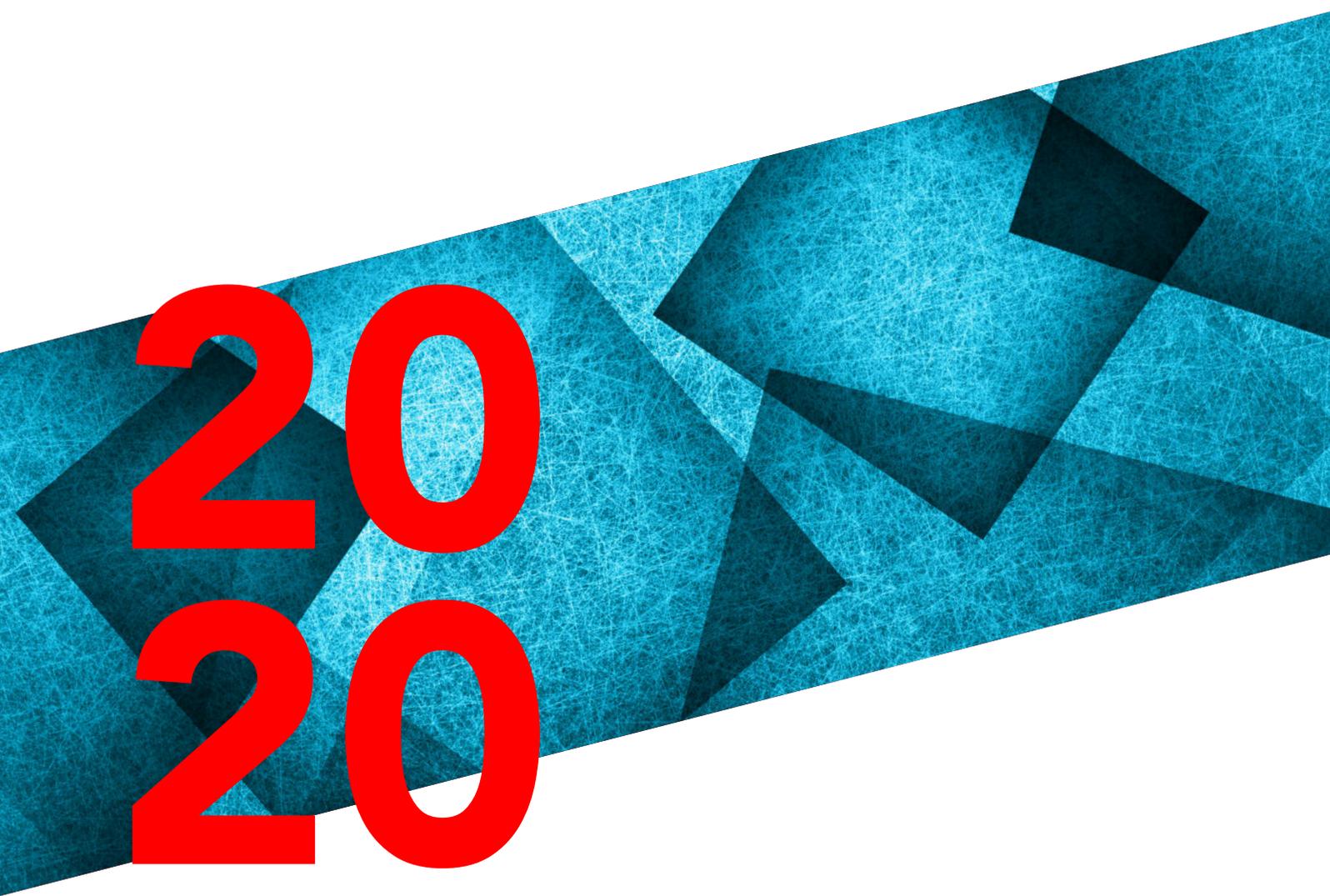
Jane Paskin
Rice Warner

Roslyn Ramwell

Michael Sant
IAG & NRMA Superannuation Plan

Belinda Tallis

Simon Tennant
Catholic Super

An abstract graphic element consisting of overlapping, semi-transparent blue geometric shapes (triangles and polygons) that create a layered, crystalline effect. The colors range from light cyan to deep navy blue. This graphic is positioned in the upper right quadrant of the page, partially overlapping the white background.

**20
20**

**Financial
Report**

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Directors' Report

In respect of the financial year ended 30 June 2020 the directors submit the following report made out in accordance with a resolution of the directors:

DIRECTORS

The following persons were the Directors of the Company at any time during or since the end of the current financial year to the date of this report:

- Andrew Boal (appointed 14 November 2019)
- Jo-Anne Bloch
- Peter Carrigy-Ryan (resigned 13 July 2020)
- Michael Clancy
- Chris Davies
- Michael Easson
- David Elia
- Linda Elkins (resigned 8 November 2019)
- Melinda Howes
- Damian Hill (appointed 13 July 2020)
- John McMurtrie (resigned 14 November 2019)
- Kelly Power (appointed 14 November 2019)
- Deanne Stewart
- Leeanne Turner

Further details are included elsewhere in this annual report.

The Board consists of one independent chair and two directors from each of the following membership categories: Industry Funds, Corporate Funds, Public Sector Funds, Retail Funds and Service Providers.

PRINCIPAL ACTIVITIES

ASFA is the peak policy, research and advocacy body for Australia's superannuation industry. It is a not-for-profit, sector-neutral, and non-party political national organisation whose aim is to advance effective retirement outcomes for members of funds through research, advocacy and the development of policy and industry best practice. There was no significant change in the nature of those activities during the year. Further details of the Company's activities during the year are contained elsewhere in this report. At this time, the directors are not aware of any developments likely to cause a significant change in the nature of the Company's activities.

REVIEW OF OPERATIONS AND RESULTS

The surplus of income over expenditure for the year amounted to \$132 (2019, deficit \$193,187), which resulted in an increase in the accumulated surplus from \$4,553,486 to \$4,553,620.

ASFA adopted new accounting standards *AASB15: Revenue from contracts with customers* and *AASB16: Leases* from 1 July 2019. The adoption of these two new accounting standards have resulted in a net expense of \$108,826 to comprehensive income for the year.

The adoption of new accounting standard *AASB16: Leases*, in recognising Right-of-use Lease Asset and Liability from existing office lease also reduced opening Retained Earnings as at 1 July 2019 by \$203,009.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The focus for ASFA Board and leadership team in Quarter 4 of FY20, outside usual business activities, has been on managing the impacts of COVID-19. ASFA implemented appropriate COVID-19 hygiene measures in the office and provided staff more flexibility to work from home. The health and safety of our staff and members remains a priority for ASFA.

ASFA has increased its online events and workshop offerings during Quarter 4 of FY20 when no physical events were held. As a result, there is no significant reduction of learning revenue compared to budget in Quarter 4 of FY20.

ASFA applied for and received JobKeeper subsidy of \$351,000 in Quarter 4 of FY20. ASFA also expects to satisfy the criteria for JobKeeper subsidy in Quarter 1 of FY21.

On 22 July 2020, ASFA announced change of ASFA Conference dates from November 2020 to February 2021. ASFA Board and leadership team will continue to monitor the public health situation and evaluate the impact to ASFA Conference.

There have been no other significant changes in the state of affairs of the Company during the course of the year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The directors are not aware of any other matters or circumstances not otherwise dealt with in the directors' report or financial report that has significantly or may significantly affect the operations of the company, the results of these operations or the state of affairs of the company in subsequent financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

The directors consider that the company will continue its principal activities being the promotion of the interests of ASFA members and the education of ASFA members generally in superannuation matters.

ENVIRONMENTAL REGULATION

The company is subject to normal State and Federal environmental legislation and does not operate within an industry with specific environmental guidelines or limits. To the best of the directors' knowledge, there have been no breaches of environmental legislation.

STRATEGY, OBJECTIVES AND MEASURING PERFORMANCE

ASFA's mission is to provide effective retirement outcomes for members of funds through research and advocacy and to serve ASFA members by providing a range of services.

ASFA has four critical success factors. Under each critical success factor it has two strategic themes for the 2020 financial year.

Thought Leadership

- Influence Government Reviews and Implementation
- Drive four Policy Pillars of:
 - Enhanced retirement outcomes
 - Informed and engaged members
 - Industry efficiency gains
 - Effective governance and regulation

Confidence in Industry

- Develop industry best practice standards: governance, transactions, risk management
- Linking ASFA members to consumers

Member Engagement

- Put ASFA members into the drivers' seat
- Support and deliver industry benchmarking

Financial Sustainability

- Products and services that meet changes
- Plan for industry change and consolidation

CORPORATE GOVERNANCE STATEMENT

The directors are responsible to the ASFA members for the performance of the company in both the short and the longer term and seek to balance these sometimes competing objectives in the best interests of the company as a whole. Their focus is to ensure the company is properly managed, to protect, promote and advance the interests of Australia's superannuation funds, their trustees and their members. The board draws on relevant corporate governance best practice principles to assist it to contribute to the performance of the company.

Day to day management of the company's affairs and implementation of corporate strategy and policy initiatives are delegated by the board to the Chief Executive Officer and management team.

The functions of the board include:

- setting corporate strategies
- review and approval of the annual budget and financial plans
- overseeing and monitoring organisational performance and the achievement of the company's strategic goals and objectives
- monitoring financial performance including approval of the annual and quarterly financial reports and liaison with the company's auditors
- appointment of, setting the remuneration of, and assessment of the performance of, the Chief Executive Officer
- ensuring there are effective management processes in place and approving major corporate initiatives that arise throughout the year
- ensuring the significant risks facing the company have been identified and appropriate and adequate control, monitoring and reporting mechanisms are in place.

A description of the company's main corporate governance

practices is set out herewith. All these practices, unless otherwise stated, were in place for the entire year.

THE BOARD OF DIRECTORS

The board operates in accordance with the broad principles set out in the company's constitution including that:

- the board is comprised of non-executive directors. Further information about the directors is set out in the directors' report under the heading "Information on directors"
- the Chair of the board is elected by the full board and meets regularly with the Chief Executive Officer
- there is a mix of directors on the board from different sectoral backgrounds as required under the Constitution with complementary skills and experience.

The board has established a number of committees to assist in the execution of its duties and to allow detailed consideration of complex issues. Current committees of the board are Finance and Risk, Human Resources and Remuneration, Member Services, and Policy.

All four committees include directors. The committee structure and membership is reviewed on an annual basis.

Each of these committees has its own written charter setting out its role and responsibilities and the manner in which the committee is to operate. All substantial matters determined by committees are submitted to the full board as recommendations for board decision.

The company's Constitution specifies that all directors must retire from office no later than the second annual general meeting (AGM) following their last election. Where eligible, a director may stand for re-election.

COMMITMENT

The board meets at least on a quarterly basis during the year. Additional corporate strategy workshops are also scheduled on a biennial basis (with the timing appropriate to other significant external events).

The number of meetings of the company's board of directors and of each board committee held during the year and the number of meetings attended by each director is disclosed elsewhere in this report.

CONFLICT OF INTERESTS

All directors are regarded as independent. The company defines "independent" as independent of the executive management.

INDEPENDENT PROFESSIONAL ADVICE

Directors and board committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at the company's expense. Prior written approval of the Chair is required, but this will not be unreasonably withheld.

REMUNERATION

A Human Resources and Remuneration committee (comprising three directors including the Chair and Chair of the Finance and Risk Committee) has also been established to make specific decisions on remuneration packages and other terms of

employment for senior executives.

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the company's diverse operations and achieving the company's strategic objectives.

The Chief Executive Officer is responsible for keeping the Chair informed of all relevant issues associated with management succession planning, including the implementation of appropriate executive development programmes and ensuring adequate arrangements are in place, so that appropriate candidates are recruited for later promotion to senior positions.

Non-executive directors

Dr Easson received a chairman's fee of \$100,000 for the period of 01 July 2019 to 30 June 2020 (\$100,000 for the period of 1 July 2018 to 30 June 2019).

No fees were paid to other directors of the company.

AUDIT

The oversight of this function is included in the responsibilities of the Finance & Risk Committee.

The other main responsibilities of the Finance & Risk committee are to:

- provide recommendations and advice to the board on the financial management of ASFA
- review in detail the annual Budget as prepared by the Secretariat to ensure its financial soundness and adequacy in providing services to the ASFA members as determined by the Board
- review in detail the management accounts prepared periodically by the Secretariat including reports against Budget and Cash Flow analysis
- review in detail the Balance Sheet as prepared periodically by the Secretariat to ensure that it is financially sound and that adequate reserves are being maintained to meet recorded and possible future liabilities to ensure continuity of activity
- review the treasury management by the Secretariat to ensure the safe and timely investment of surplus funds
- identify and manage risk through ensuring the establishment and review of the effectiveness of internal control systems
- oversee compliance by ASFA with appropriate laws and regulations
- oversee compliance with ASFA Reserving Policy, Financial Delegation and Approval Policy and Cash and Financial Management Policy
- appoint the external auditors and oversee the audit process
- oversee the effective operation of the risk management framework

In fulfilling its responsibilities, the committee receives regular reports from management and the external auditors. It also meets with the external auditors at least once a year – more frequently if necessary and reviews any significant

disagreements between the auditors and management, irrespective of whether they have been resolved. The external auditors have a clear line of direct communication at any time to either the Chair of the committee or the Chair of the board. It is the policy of the external auditors to provide an annual declaration of their independence to the committee.

INFORMATION ON DIRECTORS FOR THE YEAR ENDED 30 JUNE 2020

Andrew Boal

Appointed 14 November 2019

- Service Provider Representative
- Chief Executive Officer – Rice Warner
- Policy Committee member

Jo-Anne Bloch

Appointed 4 April 2019

- Service Provider Representative
- Partner and Leader - Mercer Administration Services Wollongong
- Policy Committee member

Peter Carrigy-Ryan

Appointed 30 November 2017

- Public Sector Fund Representative
- Chief Executive Officer – Commonwealth Superannuation Corporation
- Policy Committee member

Michael Clancy

Appointed 10 December 2015

- Corporate Fund Representative
- Chief Executive Officer – Qantas Superannuation
- Finance & Risk Committee Chair
- Policy Committee member
- Human Resources & Remuneration Committee member

Chris Davies

Appointed 13 November 2014

- Corporate Fund Representative
- Chief Executive Officer – Telstra Super Pty Ltd
- Policy Committee member
- Human Resources & Remuneration Committee Chair
- Member Services Committee Chair

Michael Easson

Appointed 31 July 2015

- Independent
- Chair of the Board
- Policy Committee Chair
- Finance & Risk Committee member
- Human Resources & Remuneration Committee member

David Elia

Appointed 29 November 2012

- Industry Fund Representative
- Chief Executive Officer - HOSTPLUS
- Policy Committee member
- Finance & Risk Committee member

Melinda Howes

Appointed 30 November 2017

- Retail Fund Representative
- General Manager – BT Superannuation
- Policy Committee member
- Finance & Risk Committee member

Kelly Power

Appointed 14 November 2019

- Retail Fund Representative
- General Manager – Product – Colonial First State
- Policy Committee member

Deanne Stewart

Appointed 30 November 2018

- Public Fund Representative
- Chief Executive Officer – First State Super
- Policy Committee member

Leeanne Turner

Appointed 23 March 2018

- Industry Fund Representative
- Chief Executive Officer – MTAA Super
- Policy Committee member

Directors Resigned

John McMurtrie

Resigned 14 November 2019

- Service Provider Representative
- Executive Director and Managing Director – Link Group

Linda Elkins

Resigned 8 November 2019

- Retail Fund Representative
- Executive General Manager – Colonial First State

Company Secretary

Jielin Jin (Stella Jin)

Appointed 2 March 2017

DIRECTORS' MEETINGS

The number of directors' meetings and meetings of committees of directors held in the period each director held office during the financial year and the number of meetings attended by each director is:

	Board of directors		Finance & Risk		Member services		Policy		HR & Remuneration	
	Available to attend	No. Attended								
Andrew Boal	4	4					4	4		
Jo-Anne Bloch	6	6					6	6		
Peter Carrigy-Ryan	6	3					6	3		
Michael Clancy	6	6	4	4			6	6	4	3
Chris Davies	6	6			3	3	6	6	4	4
Michael Easson	6	6	4	4			6	6	4	4
David Elia	6	4	4	3			6	4		
Linda Elkins	2	2					2	2	1	1
Melinda Howes	6	6	4	4			6	6		
John McMurtrie	2	2					2	1		
Kelly Power	4	4					4	4		
Deanne Stewart	6	5			3	1	5	5		
Leeanne Turner	6	6					6	5		

DIRECTORS' BENEFITS

For the year ended 30 June 2020, no director of the company has, since the end of the previous financial year, received or become entitled to receive a benefit by reason of a contract made by the company and the director, a firm of which the director is a member or an entity in which the director has a substantial financial interest, with the exception of the benefits that may be deemed to have arisen in relation to transactions entered into in the ordinary course of business.

INSURANCE OF OFFICERS

The company's constitution provides indemnities for directors and officers of the company and its related bodies corporate against all liabilities to other persons (other than the company and its related bodies corporate) which arises out of the performance of their normal duties as directors or officers of the company unless the liability relates to conduct involving a lack of good faith. The indemnity provided by the company to its directors and officers extends to the payment of all costs and expenses incurred in defending an action that falls within the scope of the indemnity. The company is only liable to indemnify a director or officer to the extent that the director's or officer's liability is not covered by a policy of insurance taken out by the company.

During the financial year the company paid insurance premiums totalling \$7,800 (2019: \$7,800) in respect of directors' and officers' liability insurance. The policy does not specify the premium for individual directors and officers.

The directors' and officers' liability insurance provides cover against all costs and expenses involved in defending legal actions and any resulting payments arising from a liability incurred by the company's directors and officers to other persons where that liability was incurred by the director or officer in their position as a director or officer unless the conduct involved a wilful breach of duty or fiduciary obligation.

CONSTITUTION

In accordance with the Constitution, every member of the company undertakes to contribute to the property of the company in the event of the company being wound up while they are a member or within one year after they cease to be a member, for payment of the debts and liabilities of the company (contracted before they cease to be a member) and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required, but not exceeding twenty dollars (\$20) per member (\$6,720 in total, \$8,680 in 2019).

AUDITORS INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 38.

This report is made in accordance with a resolution of directors.



Michael Easson
Chair



Michael Clancy
Director

Sydney
20 August 2020

Auditor's independence declaration



Auditor's Independence Declaration

As lead auditor for the audit of The Association of Superannuation Funds of Australia Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Simon Cuthbert', written in a cursive style.

Simon Cuthbert
Partner
PricewaterhouseCoopers

Sydney
20 August 2020

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Liability limited by a scheme approved under Professional Standards Legislation.

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
Revenue from continuing operations	4	12,972,672	12,707,075
Expenses from continuing operations	4	(12,972,540)	(12,900,262)
Operating surplus/(deficit) before income tax	4	132	(193,187)
Income tax expense	2(g)	-	-
Operating surplus/(deficit) after income tax attributable to members		132	(193,187)
Other comprehensive income		-	-
Total comprehensive income for the year		132	(193,187)

The above should be read in conjunction with the accompanying notes.

Statement of Financial Position

AS AT YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	6	6,627,473	5,426,832
Term Deposits	6	2,562,886	2,958,479
Receivables	5	1,935,959	3,419,523
Other assets	7	384,139	516,200
Total Current Assets		11,510,457	12,321,034
Non-current assets			
Plant and equipment	8	1,076,669	1,282,485
Right-of-use Asset – Lease	11	3,044,467	-
Total Non-Current Assets		4,121,136	1,282,485
Total assets		15,631,593	13,603,519
Current liabilities			
Payables	13	1,065,981	1,428,013
Provisions	9	527,629	532,791
Lease Liability	14	567,918	-
Fees and income in advance	10	5,880,802	6,983,159
Total Current Liabilities		8,042,330	8,943,963
Non-current liabilities			
Provisions	9	139,754	106,070
Lease Liability	14	3,098,900	-
Total Non-Current Liabilities		3,238,654	106,070
Total Liabilities		11,280,984	9,050,033
Net Assets		4,350,609	4,553,486
Equity			
Accumulated Surplus		4,350,609	4,553,486
Total Equity		4,350,609	4,553,486

The above should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2020

	2020 \$	2019 \$
Balance at 30 June 2019 as previously reported	4,553,486	4,746,673
Adjustment on adoption of AASB16	(203,009)	-
Restated total equity as at 1 July 2019	4,350,477	4,746,673
Operating (deficit)/surplus for the Year	132	(193,187)
Total equity at the end of the financial year	4,350,609	4,553,486

The above should be read in conjunction with the accompanying notes.

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$	2019 \$
Cash flows from operating activities			
Receipts from operations		13,366,342	11,943,269
Payments to creditors and employees		(11,867,319)	(12,410,199)
Interest received		119,596	173,250
Net cash flows from operating activities	15	1,618,619	(293,680)
Cash flows from investing activities			
Payments for plant and equipment		(182,843)	(205,415)
Net cash flows from investing activities		(182,843)	(205,415)
Cash flows from financing activities			
Repayment of borrowings Right-of-use Assets		(518,475)	-
Interest paid Right-of-use Asset		(112,253)	-
Net cash flows from financing activities		(630,728)	-
Net increase/(decrease) in cash and cash equivalents			
		805,048	(499,095)
Cash at the beginning of the year		8,385,311	8,884,406
Cash at the end of the year	6	9,190,359	8,385,311

The above should be read in conjunction with the accompanying notes.

Notes to and Forming Part of the Financial Report

FOR THE YEAR ENDED 30 JUNE 2020

1. GENERAL INFORMATION

This financial report covers the Association of Superannuation Funds of Australia Limited as an individual entity and is presented in Australian currency.

The Association of Superannuation Funds of Australia Limited (the company) is a company limited by guarantee. In accordance with the Constitution, every member of the company undertakes to contribute to the property of the company in the event of the company being wound up while they are a member or within one year after they cease to be a member, for payment of the debts and liabilities of the company (contracted before they cease to be a member) and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributories among themselves, such amount as may be required, but not exceeding twenty dollars (\$20) per member (2020: \$6,720 in total, 2019: \$8,680 in total). The financial statements were authorised for issue by the directors on 20 August 2020. The directors of the company have the power to amend and reissue the financial report.

The operations of the Company are conducted in Australia only.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These principles have been consistently applied to all the years presented, unless otherwise stated.

This is the first set of the Company's annual financial statements in which AASB 16: *Leases*, AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* has been applied. Under the transition methods chosen, comparative information has not been restated. The 2020 results are therefore not directly comparable to prior years. Changes to significant accounting policies and the impact of applying new standards is described somewhere later in the note.

a) Basis of preparation

This general-purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Compliance with IFRSs

The financial report of the company also complies with *International Financial Reporting Standards (IFRS)* as issued by the International Accounting Standards Board (IASB).

Historical cost convention

These financial statements have been prepared under the historical cost convention and unless otherwise stated do not take into account current valuation of non-current assets.

Critical accounting estimates

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates.

The notes to the financial statement set out areas involving higher degree of judgement or complexity such as:

- Revenue – refer to note 1(d)
- Leases – refer to note 1(m)
- Impairment – management uses judgement on whether assets are impaired

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Management believes the estimates used in preparing this financial report are reasonable.

COVID-19 impact

Background:

COVID-19 is a new virus that causes a respiratory infection and was declared a worldwide pandemic by the World Health Organization in March 2020. The virus had a significant impact on the global and Australian economy. ASFA has considered the impact of COVID-19 in preparing its financial statements. The impact of pandemic resulted in changes to the preparation of these financial statements, changes to management judgements and outcomes that have been used in the measurement of the Company's financial position and comprehensive income.

Processes applied:

As consequence of the pandemic and in the preparation of these financial statements' management:

- evaluated whether any additional areas of management judgement existed in the preparation of the financial statements
- assessed the impact of the pandemic on impairment of assets
- applied accounting requirements under AASB 120: *Accounting for Government Grants and Disclosure of Government Assistance*. Government Grants in recognising any government related subsidies due to the pandemic. ASFA received JobKeeper subsidy of \$351,000 and PAYG rebate \$75,000, both are accounted for as other income under AASB 120: *Accounting for Government Grants and Disclosure of Government Assistance*. There are no other unfulfilled conditions or other contingencies attached to these subsidies.
- considered impact of COVID-19 on Company's disclosures in its Financial Statement note disclosures
- applied a number of operational changes including working from home policies and social distancing practices
- re-evaluated risk plans to ensure they adequately cover pandemic risk elements
- tested business continuity plan to ensure operation continuity during pandemic

b) Plant and equipment

Plant and equipment are depreciated over their expected useful lives to the company using the straight-line method. The expected useful lives are 3 to 5 years.

The cost of improvements to leasehold properties is amortised over the unexpired period of the lease.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are included in the statement of comprehensive income. The expected useful life of leasehold improvements is 10 years.

Furniture and fittings are depreciated over 5 years.

Where Government Grants have been secured to purchase plant and equipment, they are brought to account in the balance sheet as deferred income and amortised over the same period that the plant and equipment is being depreciated.

c) Capitalised software

Capitalised software is depreciated over its expected useful lives by the company using the straight-line method. The expected useful lives are 3 to 5 years.

Capitalised software commences being depreciated once the software is applied within the company.

d) Revenue recognition

AASB 15: Revenue from Contracts with Customers and *AASB 1058: Income for Not-for-profit Entities*, which establishes a comprehensive framework for determining whether, how much and when revenue is recognised and is mandatory for the Company's 2020 financial statements.

There has been no impact on the historical financial statements from the adoption of *AASB 15: Revenue from Contracts with Customers* and *AASB 1058: Income of Not-for-Profit Entities*.

Under *AASB 15: Revenue from Contracts with Customers*, revenue is recognised using the 5 steps approach outlined below to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The following 5 steps have been applied in analysing transactions to determine when revenue is recognised:

- Step 1 – Identify the contract with a customer.
- Step 2 – Identify the separate performance obligations in the contract.
- Step 3 – Determine the transaction price.
- Step 4 – Allocate the transaction price to the separate performance obligations in the contract.
- Step 5 – Recognise revenue when (or as) the entity satisfies a performance obligation.

The recognition of online-spaced online qualification revenue has been impacted by the new approach outlined above. These fees were previously recognised on the date of admission. Upon adoption of *AASB 15*, these fees are deferred and recognised over the period in which it is estimated that the online training services will be provided. Historical data has been used to arrive at these estimates.

The recognition of conference/event sponsorship revenue has also been impacted by the new approach. The conference sponsorship revenue was previously recognised at the date of the conference/event was held. Upon adoption of *AASB 15*, as some components of the sponsorship agreement was delivered before the conference/event takes place, the related portion of the sponsorship revenue will be recognised at the time those obligations are performed. For FY20, amounts related to this adjustment were immaterial, so this did not impact revenue recognised during the year.

The adoption of *AASB 15: Revenues from Contracts with Customers* did not have any other impact on the measurement or timing of revenue recognition on other revenue from contracts with customers.

(i) Conference/Events registration revenues
Performance obligation of the Conference/Events registration are satisfied at the time conference/event takes place and Conference/events registration revenues are recognised accordingly at the time.

(ii) Workshop revenues
Income and expenditure arising from the workshop is brought to account in the same period as the workshop is delivered. There were no performance obligations related to the revenue established which takes place after learning workshops are delivered.

(iii) Membership revenues
Annual membership period commences on 1 July and ends on 30 June and all performance obligations are satisfied by the end of the financial year. Hence full annual membership fees are recognised on a straight-line basis during the financial year.

Other revenues are recognised in the period to which they relate on an accrual basis.

e) Receivables

Receivable amounts are generally received within 30 days of being recorded as receivables. Collectability of trade receivables is reviewed on an ongoing basis. An impairment allowance account (doubtful debts provision) is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables based on an assessment of past events, current conditions and future economic conditions. The allowance considers a range of possible outcomes and their probability of occurring. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, default or delinquency in payments (more than 30 days overdue) and negative forecasts of future economic conditions are considered indicators that the trade receivable is impaired. Bad debts are written off during the period in which they are identified.

The amount of impairment loss (bad debt) is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income

f) Employee benefits

(i) Wages and salaries and annual leave

Liabilities for wages and salaries and annual leave in respect of employees' services up to the reporting date are measured at the amount expected to be paid when the liabilities are to be settled.

(ii) Long service leave

A liability for long service leave is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at 30 June 2020 on national government bonds with terms to maturity that match as closely as possible the estimated future cash outflows.

g) Income tax

The company is exempted from income tax.

h) Foreign currency translation

(i) Functional and Presentation Currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The functional currency is Australian Dollars (AUD).

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

i) Cash

For the purposes of the statement of Cash Flows, cash includes deposits at call, which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts.

In the Cash Flow statement, the term deposits which have the maturity greater than three months are included in cash but they are separately identified as Term Deposits item in Balance Sheet.

j) Trade and other payables

These amounts represent liabilities for goods and services provided prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to, the taxation authority, are presented as operating cash flows.

l) New accounting standards and interpretations

The Company adopted *AASB15: Revenue from Contracts with Customers* and *AASB16: Leases* for the first time for their annual reporting period commencing 1 July 2019. Details are contained in Note 1(d) and Note 1(m) respectively.

m) Leases

The Company has adopted *AASB 16: Leases* from 1 July 2019 using the modified retrospective approach and electing to measure the Right-of-use asset equal to the Right-of-use liability at the date of adoption, less any portion of the Right-of-use asset that was reclassified to lease receivables. Therefore, the comparative information presented for 2019 is not restated.

In the comparative period, under *AASB116: Leases*, ASFA only needed to recognise lease assets and lease liabilities in relation to leases classified as 'finance leases' of which ASFA had none in year ended 30 June 2019.

Under *AASB16: Leases*, ASFA's operating leases with a term of more than 12 months, unless the underlying asset is of low value, is recognised on the balance sheet as "Right-of-use Asset" and "Lease Liability". The depreciation of the Right-of-use asset and interest on lease liability will replace the previous straight lining of rent expense practice.

Financial Statement impacts

Impact on transition

As a result of the change in accounting policy, ASFA recognised the following transition adjustment: ASFA recognised a Right-of-use asset of \$3,615,305 and a lease liability of \$4,185,293 on the Balance Sheet as at 30 June 2020 and depreciation expense of \$570,837 and interest expense of \$112,253 instead of rent expense for the period then ended. The leases payments previously classified as operating cash outflows have now been split with the principal payments of \$518,475 and the interest payments of \$112,253 presented as a financing outflow.

n) Government grants

Grants from the government are recognised at their fair value as a receivable where there is reasonable assurance that the grant will be received and ASFA will comply with all attached conditions. The grant is recognised as other income in the period it becomes receivable.

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

a) Disaggregation of revenue

ASFA derives its revenue from the transfer of services over time and at a point in time. The following table provides a breakdown of revenue by the timing of when performance obligations are satisfied and by major business line.

For the period ended 30 June 2020	Services satisfied at a point in time	Services satisfied over time	Total
Conference and events registration (2019 Conference)	5,404,069	-	5,404,069
Membership	-	4,347,276	4,347,276
ASP membership	-	977,499	977,499
Self-Paced Online qualification	-	399,623	399,623
Workshops (Online and face-to-face)	1,110,334	-	1,110,334
Superfund Magazine	-	4,293	4,293
Consulting	-	128,216	128,216
Total revenue from contracts with customers	6,514,403	5,856,907	12,371,310
<u>Other Revenue</u>			
Interest income	-	-	119,596
Government subsidies	-	-	426,000
Others	-	-	55,766
Total Revenue	6,514,403	5,856,907	12,972,672

4. OPERATING SURPLUS/(DEFICIT)

The following specific revenue and expenses have been included in the Statement of Comprehensive Income.

	2020 \$	2019 \$
Membership fee income	4,347,276	4,399,668
ASP Membership fee income	977,499	789,792
Conference and Events	5,404,069	5,759,022
Professional development and education	1,110,334	890,501
Self-Paced Online qualification	399,623	474,892
Superfunds magazine*	4,293	43,823
Consulting	128,216	135,927
Interest income	119,596	173,250
Government subsidies	426,000	-
Other income	55,766	40,200
Total Income	12,972,672	12,707,075
Auditors remuneration – audit services	(57,129)	(41,683)
Auditor’s remuneration – non-audit services	(55,366)	(12,750)
Bad and Doubtful Debts	(360)	-
Depreciation – Plant and equipment	(261,727)	(369,398)
Amortisation – Leasehold improvements	(126,932)	(124,393)
Amortisation – Right-of-use Assets	(570,838)	-
Provision for long service & annual leave	(9,283)	51,970
Rental expenses	(56,992)	(705,585)
Employee costs	(7,295,605)	(7,209,807)
Director Fee	(100,000)	(100,000)
Direct cost of Revenue	(2,983,362)	(2,914,451)
IT expenses	(339,846)	(340,398)
Lease Interest expenses	(112,253)	-
Other expenses	(1,002,847)	(1,133,767)
Total Expenses	(12,972,540)	(12,900,262)
Total comprehensive income	132	(193,187)

*Superfunds magazine moved online in FY20.

5. RECEIVABLES

	2020 \$	2019 \$
Trade receivables	1,929,757	3,402,051
Less: Doubtful Debts Provisions	(360)	-
	1,929,397	3,402,051
Accrued interest	6,562	17,472
	1,935,959	3,419,523

The 2020 trade receivables include 2020/2021 Membership subscriptions and 2021 event invoices raised prior to 30 June 2020.

6. CASH AND CASH EQUIVALENTS

	2020 \$	2019 \$
Cash at bank and in hand	1,480,221	3,773,982
Short-term Deposits	5,147,252	1,652,850
	6,627,473	5,426,832

	2020 \$	2019 \$
Term Deposits	2,562,886	2,958,479
	2,562,886	2,958,479

Term deposits are held with ANZ Bank.

7. OTHER ASSETS

	2020 \$	2019 \$
Conference costs carried forward	113,236	330,773
Prepayments	102,202	185,427
Accrued income*	168,701	-
	384,139	516,200

*JobKeeper subsidy for June month was included in Accrue income for 2020.

8. PLANT AND EQUIPMENT

	Cost		Accumulated depreciation		Net book value	
	2020 \$	2019 \$	2020 \$	2019 \$	2020 \$	2019 \$
Capitalised software	1,190,040	1,042,712	1,106,661	920,851	83,379	121,861
Plant and equipment	1,253,448	1,217,933	906,689	817,768	346,759	400,165
Leasehold improvements	1,139,286	1,139,285	492,755	378,826	646,531	760,459
	3,582,774	3,399,930	2,506,105	2,117,445	1,076,669	1,282,485

Reconciliations of the carrying amounts of each class of plant and equipment at the beginning and end of the current financial year are set out below.

	Capitalised software	Plant and equipment	Leasehold improvements
Carrying amount at 1 July 2019	121,861	400,165	760,459
Additions	147,328	35,514	-
Disposals	-	-	-
Depreciation/amortisation expense	(185,810)	(88,920)	(113,928)
Carrying amount at 30 June 2020	83,379	346,759	646,531
Carrying amount at 1 July 2018	299,281	397,195	874,388
Additions	103,546	101,867	-
Disposals	-	-	-
Depreciation/amortisation expense	(280,966)	(98,897)	(113,929)
Carrying amount at 30 June 2019	121,861	400,165	760,459

9. PROVISIONS

	2020 \$	2019 \$
Current		
Provision for employee benefits	527,629	533,121
Others	-	(330)
	527,629	532,791
Non-current		
Provision for employee benefits	139,754	106,070
	139,754	106,070
Employee numbers (full-time equivalent)	39	41

10. FEES AND INCOME IN ADVANCE

ASFA has recognised the following as revenue received in advance related to contracts with customers. The balances represent the contract liabilities for performance obligations not completed at reporting date.

	2020 \$	2019 \$
ASFA Membership fees	4,078,230	4,414,901
Conference revenue carried forward	810,910	1,386,536
ASP Membership fees	722,502	892,501
Others	269,160	289,221
	5,880,802	6,983,159

• Significant changes in contract liability

The contract liability at 30 Jun 2020 decreased by \$1,012,357 compared to 30 June 2019 due to less Membership fee income, conference, ASP membership and others invoices raised. There was an increase of \$56,464 in Deferred Learning revenue for Online qualification as a result of adopting *AASB15: Revenue from Contracts with Customers* in this financial year.

• Revenue recognised in relation to contract liabilities

The following table show how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligation that were satisfied in a prior year:

	Amount
Opening 1 July 2019	6,983,157
Invoices FY2021	11,140,739
Revenue recognised in FY20	12,243,094
Closing balance of deferred revenue 30 June 2020	5,880,802

11. RIGHT-OF-USE ASSET – LEASE

	2020 \$
Carrying amount at 30 June 2019	-
Amount recognised at transition 1 July 2019	3,615,305
Depreciation/amortisation expense	(570,838)
Carrying amount at 30 June 2020	3,044,467

As at 1 July 2019, ASFA adopted accounting standard *AASB 16: Leases*.

Right-of-use asset is measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use asset is generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The carrying amount \$3,615,305 is recognised as Right-of-use asset and it will be amortised through the remainder of the lease term under straight-line method.

12. CAPITAL COMMITMENTS

No capital expenditure contracted.

13. CURRENT LIABILITIES – PAYABLES

	2020 \$	2019 \$
Trade payables	26,770	61,914
Accrued creditors	443,438	634,551
GST payable	522,158	623,332
Other payables	73,615	108,216
	1,065,981	1,428,013

14. LEASE LIABILITIES

	2020 \$	2019 \$
Current	567,918	-
Non-current	3,098,900	-
	3,666,818	-

In the previous year, ASFA recognised lease asset as operating lease which the lessor effectively retains all the risks and benefits of ownership. Operating lease payments (net of any incentives received from the lessor) are expensed in the periods in which they are incurred.

From 1 July 2019, the company adopted accounting standard *AASB16: Leases*.

Under *AASB16: Leases*, the company recognised lease liability of \$4,185,293 which then be reduced by both principle payments and interest expenses.

At 30 June 2020, the lease liability amount is \$3,666,818.

They are measured on a Net Present Value of the remaining lease payments which is discounted using the lessee's Incremental borrowing rate at 1 July 2019 as per details below:

- Fixed payments, less any lease incentives receivable
- The lease is discounted using the Incremental borrowing rate 2.84% which is determined by:
 - o the most economic available rate that ASFA would have to pay on borrowing from third party financing banking institution
 - o use a build-up approach that starts with a risk-free interest rate adjusted for credit risk for lease held by ASFA Limited
 - o make adjustments specific to the lease, e.g. term, country, currency and security
- The additional to the Right-of-use asset during the FY20 were \$3,615,305.

Amount recognised in the Statement of Profit and Loss.

The statement of Profit and Loss shows the following amounts relating to lease

	2020 \$	2019 \$
Depreciation charge of Right-of-use assets	570,837	-
Total depreciation	570,837	-
Interest expense (included in finance cost)	112,253	-
Repayment of borrowings Right-of-use Assets	518,475	-
The total cash outflow for lease in FY20	630,728	-

15. RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES

	2020 \$	2019 \$
Operating (deficit)/surplus after income tax	132	(193,187)
Depreciation and amortisation	388,659	493,791
Depreciation and amortisation Right-of-use Asset	570,838	-
Changes in assets and liabilities		
(Increase) decrease in net interest accrued	10,910	8,695
(Decrease) increase in Provision for Doubtful Debts	360	(2,993)
Decrease (increase) in debtors	1,472,293	(167,406)
Decrease (increase) in other assets	132,061	(199,919)
Increase (decrease) in accounts payable and provisions	145,724	(3,733)
Increase (decrease) in fees and income in advance	(1,102,358)	(228,928)
	1,618,619	(293,680)

16. RELATED PARTY INFORMATION

a) Transactions with related parties

During the current year, the company provided membership, conference and other educational services to the directors and director related entities within normal customer relationships on terms and conditions no more favourable than those available in similar arm's length dealings. There were no other transactions with directors and no material transactions with other related parties during the year ended 30 June 2020.

b) Key management personnel

The key management personnel of the company are the directors and executive officers who had authority and responsibility for planning, directing and controlling activities of the company for the year. The following individuals were the key management personnel who held office during the year.

Non-executive directors:

- Andrew Boal (appointed 14 November 2019)
- Jo-Anne Bloch
- Peter Carrigy-Ryan (resigned 13 July 2020)
- Michael Clancy
- Chris Davies
- Michael Easson
- David Elia
- Linda Elkins (resigned 8 November 2019)
- Melinda Howes
- Damian Hill (appointed 13 July 2020)
- John McMurtrie (resigned 14 November 2019)
- Kelly Power (appointed 14 November 2019)
- Deanne Stewart
- Leeanne Turner

Executive key management personnel:

- Martin Fahy Chief Executive Officer (Appointed 19 October 2016)

c) Key management personnel remuneration

Dr Easson received a chairman fee of \$100,000 for the period of 1 July 2019 to 30 June 2020 (\$100,000 for the period 1 July 2018 to 30 June 2019).

No fees were paid to other directors of the company.

Details of the remuneration of executive key management personnel are set out in the following table:

Name	Year	Fixed remuneration				Variable remuneration	Total
		Cash salary	Non-monetary benefits	Annual and long service leave	Post-employment benefits	Cash bonus	
Martin Fahy	2020	579,469	-	32,311	20,531	50,000	682,311
	2019	554,362	-	(17,580)	20,287	150,000	707,069
Executive KMP remuneration expensed	2020	579,469	-	32,311	20,531	50,000	682,311
	2019	554,362	-	(17,580)	20,287	150,000	707,069

d) Service agreements

Remuneration and other terms of employment for the CEO is formalised in service agreements.

17. FINANCING ARRANGEMENTS

The financing arrangements with WBC include the Corporate card and Bank Guarantee. Access was available at balance date to the following bank facilities:

	2020 \$	2019 \$
Corporate Card Limit	100,000	100,000
Unused at balance date	98,830	95,527
Bank guarantee	402,325	402,325

Bank Guarantee provided by Westpac in favour of Scentre Management Ltd for the premise lease at Level 11, 77 Castlereagh Street, Sydney NSW 2000.

18. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risks and price risk), credit risk and liquidity risk. The Company's overall risk management program seeks to minimise potential adverse effects on the financial performance of the Company. The Company uses different methods to measure different types of risk to which it is exposed. These methods include monitoring of the investment and banking arrangements and ageing analysis for credit risk.

Risk management is carried out by management with oversight by the Finance and Risk Committee. The Finance and Risk Committee reviews and updates the risk management register annually covering specific areas.

The Company holds the following financial instruments:

	2020 \$	2019 \$
Financial assets		
Cash and cash equivalents	6,627,473	5,426,832
Trade and other Receivables	1,935,959	3,419,523
Total Financial Assets	8,563,432	8,846,355
Financial liabilities		
Trade and other payables	(1,065,981)	(1,428,013)
Total Financial Liabilities	(1,065,981)	(1,428,013)

The carrying amounts of trade receivables and payables approximate their fair values due to their short-term nature.

Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement for disclosure purposes.

Market risk

Price risk

Market price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, the issuer of that investment or all factors affecting all financial instruments traded in the market.

ASFA does not hold any investments subject to price risk.

Interest rate risk

The Company's main interest rate risk arises from cash and cash equivalents and distributions from investments, which expose it to risks associated with the effects of fluctuations in market interest rates. The Company monitors the level of cash maintained and the impact of changes in interest rates on expected levels of return.

Based on the balance as at 30 June 2020, if the interest rates had changed by +/- 100 basis points from the year end rates with all other variables held constant, the operating surplus would have been \$91,904 lower/higher (2019: +/- 100 basis points - \$83,853 higher/lower surplus) as a result of lower/higher interest income from these financial assets.

Credit risk

Credit risk is the risk that another party to a financial instrument will fail to discharge an obligation or commitment it has entered into with the Company.

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions and trade receivables. There is no independent rating of financial assets. The company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Invoices are required to be settled within trading terms and the aged debtors are closely monitored.

The maximum exposure to credit risk at the reporting date is the carrying amount of receivables and term deposits (refer Note 5 and 6, respectively).

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of credit facilities and the ability to close out market positions. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The financial liabilities are predominantly due within 1 month.

19. EVENTS OCCURRING AFTER THE REPORTING PERIOD

There are no matters or circumstances that have arisen since the end of the financial year not otherwise dealt with in the financial report, which significantly affected or may significantly affect the operation of the Company, the result or the state of affairs.

Directors' declaration

FOR THE YEAR ENDED 30 JUNE 2020

In the directors' opinion:

- (a) the financial statements and notes set out on pages 39-54 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the company's financial position as at 30 June 2020 and of its performance for the financial year ended on that date, and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, and
- (c) the financial statements also comply with *International Financial Reporting Standards* as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors.



Michael Easson
Chair



Michael Clancy
Director

Sydney
20 August 2020

Independent audit report



Independent auditor's report

To the members of The Association of Superannuation Funds of Australia Limited

Our opinion

In our opinion:

The accompanying financial report of The Association of Superannuation Funds of Australia Limited (the Company) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2020
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include a summary of significant accounting policies
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the Director's Report.

PricewaterhouseCoopers, ABN 52 780 433 757

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Independent audit report



Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A handwritten signature in black ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in black ink that reads 'Simon Cuthbert'.

Simon Cuthbert
Partner

Sydney
20 August 2020



Secretariat

Principal Registered Office in Australia
Level 11, 77 Castlereagh Street, Sydney NSW 2000
T 02 9264 9300

Auditors

PricewaterhouseCoopers

Bankers

Westpac Banking Corporation
Australia and New Zealand Banking Group

Australian Business Number (ABN) 29 002 786 290