



Monthly Information Newsletter – Tax & Super

March 2021

The SMSF sector has been growing by \$62,400 every minute

The latest annual statistical report from APRA has been released, covering the 2020 income year but only made public at the end of January 2021.

Total superannuation industry assets were \$2.9 trillion as at 30 June 2020. Of this total, \$1.9 trillion was held by APRA-regulated superannuation entities and \$0.7 trillion was held by self-managed superannuation funds (SMSFs), which are regulated by the ATO. The remaining \$210 billion comprised exempt public sector superannuation schemes (\$147 billion) and the balance of life office statutory funds (\$63 billion).

The report of course mainly focuses on APRA-regulated superannuation funds in the retail and industry sectors, but the APRA statistics also make passing mention of the SMSF sector.

Over the five years from June 2015 to June 2020, this sector grew in total assets from \$569 billion to \$733 billion — an increase of \$164 billion. For a bit of fun, you can think of that equalling roughly \$89.8 million each day, \$3.7 million each hour, or \$62,404.87 every minute.

In terms of numbers, SMSFs over that period grew from 533,000 to 593,000 — a jump of 60,000 funds (therefore an establishment rate of just shy of 33 new funds every day).

As mentioned, the total size of the entire superannuation market is \$2.9 trillion. The largest share of this pot of gold is held by industry funds, with 26% of the total. But a close second is the small funds sector, which includes SMSFs, small APRA funds and single-member approved deposit funds (ADFs), with a 25.6% share of the total. Next comes public sector funds (23.6%), retail funds (20.7%) and last are corporate funds, holding just 2%.

The statistics show that the annual rate of return for APRA-regulated entities for the year ended June 2020 was -0.9%. The five year average annualised rate of return to June 2020 was 5.3%, and the 10 year average annualised rate of return to June 2020 was 6.9%.

The number of member accounts decreased by 11.7% over the year ended 30 June 2020, from 26.4 million to 23.3 million. This trend was driven to a significant extent, APRA says, by sweeps of inactive low-balance accounts made by the ATO under the Protecting Your Superannuation Package reforms. The average account balance for APRA funds at 30 June 2020 was \$86,903. The average account balance was \$77,479 for females and \$95,257 for males.

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