

## All about super

The news this week has all been about super. With the latest super statistics released from APRA and the ATO, the future of super looks great. But there is still much to be addressed.

Hello and welcome to today's BT TechKnow podcast. I'm Bryan Ashenden, and I have the pleasure of leading the BT Technical Services team – a team of experts that are available to answer any technical advice strategy related queries you may have.

This past week, the news has all been about super.

First, we had the latest quarterly statistics on superannuation released by APRA, and the statistics are actually quite interesting. The report was for balances as at 31 March 2021. So when you think about it, it gives some interesting reading on what has happened to super over the 12 months of COVID-19 impacts, given it was the end of March 2020 when impacts really started to be felt.

The report called out a number of interesting statistics, including the following.

- Total superannuation assets as at 31 March 2021 were approximately \$3.1 trillion – an increase of 13.9% over the prior 12 month period.

When you consider that during this period of 12 months, a number of Australians were out of work, not receiving super guarantee, not able to voluntarily contribute to super, and may in fact have been withdrawing some of their super under early access condition temporarily allowed due to COVID-19, this change is quite incredible. There is no doubt that over the last 12 months markets have been on the improve which would have contributed to this outcome.

- Looking at the details on contributions, these only rose 0.8% over the 12 month period. However, there were significantly higher increases in super guarantee contributions (5.4%) and employer contributions more broadly (3.0%) which would include salary sacrificed amounts. Perhaps not surprising, member or personal contributions declined at the rate of 7.3% across the 12 months, but APRA have noted a strong turnaround over the final two quarters, with positive growth in member contributions now returning.

The last quarter of the financial year is often the time that significant levels of personal contributions are made, so the signs for continuing strong growth in superannuation can be expected, despite the uncertainty that remains for 66 and 67 year olds to utilise the bring forward contribution ability this financial year.

- Benefit payments increased over the 12 months by 31.9%, no doubt inflated by those withdrawing under the early access opportunities.

In the self managed superannuation sector, net assets increased by 13.4% to \$787.1B as at 31 March 2021. The ATO has also released its latest SMSF Statistical report as at 31 March 2021 in the last week which provides some interesting information also. After a decline in the net number of SMSFs in the June 2020 quarter, the first real quarter of COVID impact, SMSFs have grown at a net rate of approximately 6,000 per quarter since to sit at a total of 597,396 in existence as at 31 March 2021. More than 50% of the

new funds established in the March quarter came from members aged between 35 and 49, with another 12.6% coming from those aged under 35. Many SMSFs have been established in the past due to members wanting to take greater control over their retirement savings, which an SMSF can certainly assist in. However, it is important that members are aware that there are a number of non-SMSF options available where members can still have significant control over their investment choices and asset allocation. With over 60% of those new members entering newly established funds having taxable incomes below \$100,000 per annum, ensuring that SMSFs are established for the right purposes and with a sustainable balance to make them economically viable is vitally important.

Perhaps the final interesting statistic from the APRA report was the flow of super savings into MySuper products. Over the year to 31 March 2021, the balance of MySuper products grew 19.3% to a total of \$850B. This represents over 27% of all super savings. If this is the domain of the largely disengaged member, then the current reforms for the sector of the market that the Government is targeting with its Your Future Your Super reforms perhaps become more important. It also shows for advisers the potential market that may be in need of advice into the future.

Finally, we had an important announcement from the Government over the weekend, that the reduced minimum superannuation income stream payments that have been in place last financial year and this current financial year will now be extended for another 12 months through to 30 June 2022.

Now, as always, remember if you have any technical advice strategy questions, you can call our BT Technical Services team on 1800 655 901 or send the team an email at [technical@btfinancialgroup.com](mailto:technical@btfinancialgroup.com).

And join us for our fortnightly BT Academy technical webinars where we dive in more depth into various technical and regulatory matters. Our next session is scheduled for this Wednesday 2 June 2021, when Matt Manning; one of our BT Technical Consultants will be presenting 'Who would've thunk it? The 1 July 2021 super changes'. In that session, Matt will cover what the indexation of the super caps and thresholds will mean for clients and strategies you employ for them.

To register, head to [www.bt.com.au/professional](http://www.bt.com.au/professional) and follow the links to the BT Academy webinar series. You can also view previous webinars and all sessions qualify for CPD points.

Until next time, bye for now.

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