



STATE OF SMSFs

2026 ADDRESS

LIVE



28 JANUARY 2026
12:00PM AEDT



YOUR CO-HOSTS



Aaron Dunn

CEO & Co-founder

🏆 2023 SMSF Association Chair Award



Tim Miller

SMSF Technical &
Education Mgr.

🏆 2022 SMSF Association CEO Award



SMSF Association
Accredited
Educator

Reflecting back to look forward?



How do you think 2025 stacked up for the SMSF industry?

Victory in the Div 296 tax battle (v1.0), SMSF sector continues to grow, CLSR challenges through poor advice, and more...



Important note:

Questions will be answered at the end of today's session - Upvote questions to increase the chance of response.

Copy of slides to be provided in follow-up email **after** today's session.



— STATE OF SMSFs 2026 —

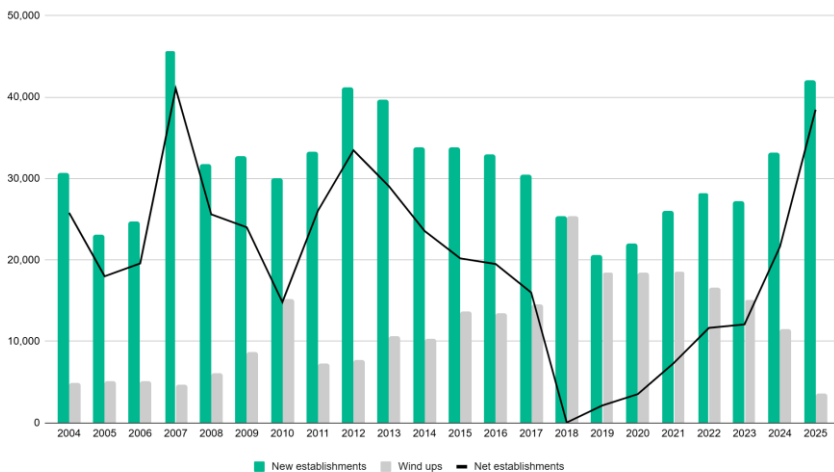
IS THE SMSF SECTOR GOING FROM STRENGTH TO STRENGTH?

SMSF growth powers ahead in 2026



- Ironically, under a Labor Government, SMSF growth has taken-off.
- Why the re-emergence of SMSFs?
 - Increasing financial literacy and information available to understand SMSFs (**more control and choice**)
 - Turbulent period for industry funds – high profile governance crises, criminal allegations involving affiliated unions & regulatory crackdowns.
- Are these SMSFs advised or non-advised?
 - Growth in direct-to-market solutions

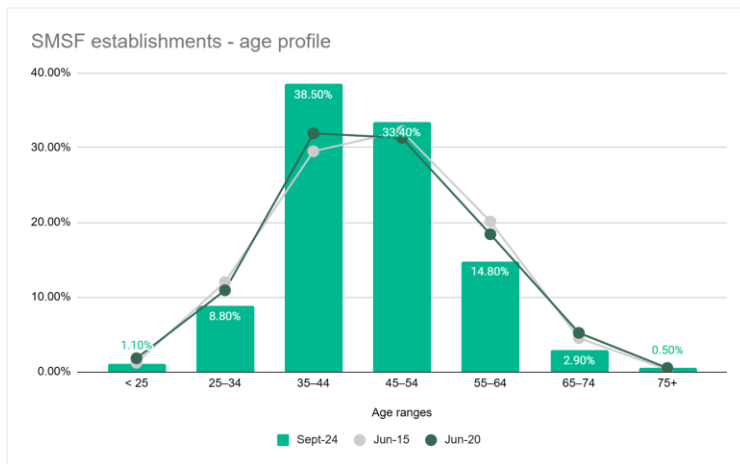
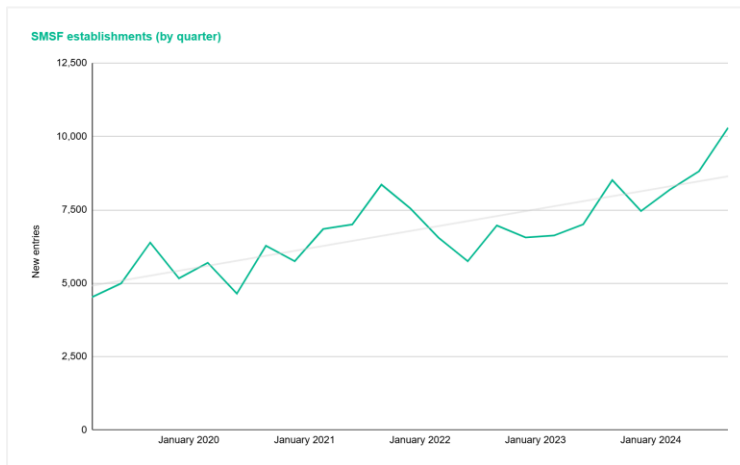
History of SMSF establishments & wind-ups





Still driven by a younger demographic moving into SMSFs

- Net establishments to September 2025 (14,494) are the largest quarterly numbers since 2007, up 4,000 from 2024.
- The age 'bell curve' continues to move to the left, with fund establishments happening much earlier in life.
- For professionals, it is important to understand the 'trends' around these evolving client demographics – by age (accum v. pension), by balance (e.g. Div 296 tax), etc.



Report 824 – review of SMSF establishment advice

ASIC released their report into the review of the quality of advice provided by financial advisers about establishing an SMSF – 100 funds targeted.

- Average fund starting balance = \$511,000
- 57 files involved a direct property purchase
- 50 files involved LRBAs
- Average age 54 (single member), 49 (2 member)
- One of the key ACTION POINTS – control
 - “Advisers must not mis-sell an SMSF on the basis of control.”
- Advice licensees with policies and procedures that covered the SMSF suitability factors from INFO Sheet 274 demonstrated higher levels of advice compliance.



38 Funds complied with best interest and related obligations

- Advice records demonstrated that recommendation to establish an SMSF was appropriate
- 19 files involved direct property and LRBAs



62 Funds did not comply with best interest and related obligations

- Advice records demonstrated that recommendation to establish an SMSF was not appropriate
- 31 files involved direct property and LRBAs

On the policy front in 2026?...

30 June 2026 is looking very busy!

- Division 296 tax
- Payday Super reforms
- 'Tranche 2' reforms – AML/CTF regime bringing additional service providers under AUSTRAC's supervision (as designated services).
- Legislated personal income tax cuts (16% MTR to 15%)

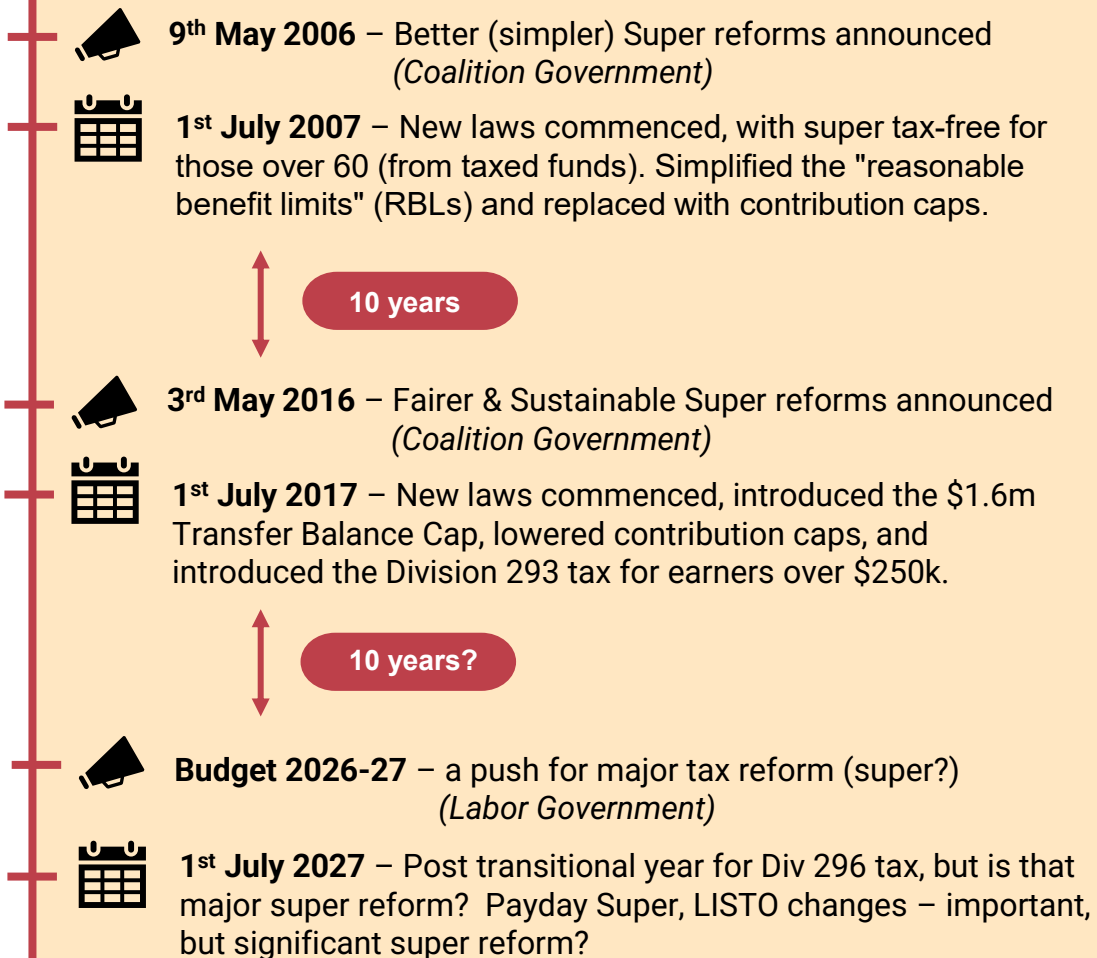




Will Labor 'go bold' with tax reform in this term of Government?

What role will the Superannuation (Objective) Act 2024 play?

"The objective of superannuation is to **preserve savings** to deliver **income** for a **dignified retirement**, alongside government support, in an **equitable and sustainable** way."





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**DID WE GET WHAT
WE ASKED FOR WITH
DIV 296?**

Div 296 – The old vs the new

Element	Previously announced (2023)	Revised Measure (2025)
Earnings Basis	Unrealised TSB movement	Realised earnings approach aligned to income-tax concepts
Threshold	Single \$3.0m (non-indexed)	\$3.0m & \$10.0m thresholds, both indexed (CPI-linked)
Tax-rate (%)	Single additional 15% (up to 30%)	Two-tiered rate: <ul style="list-style-type: none"> • additional 15% b/w \$3.0m - \$10.0m (up to 30%) • further 10% where TSB > \$10.0m (up to 40%)
Start date	1 July 2025	1 July 2026

“...moving to a realised earnings approach that **aligns to existing income tax concepts.**”

Who is caught?

TSB REFERENCE AMOUNT:

- In-scope if your Total Superannuation Balance (TSB) > large threshold (\$3m) – need to compare “just before start of year” and “end of year” (with higher used)
- 2026-27 transitional (1st year only): references treated as end-of-year for initial year in some contexts
- Certain exclusions/adjustments (structured settlements; some LRBA adjustments; regulated exceptions per regs)

ISSUES FLAGGED:

- “Higher of” rule can capture temporary market spikes / unfair timing outcomes.
- Calls to use closing TSB (or modified closing TSB) to avoid volatility-driven tax outcomes.
- e.g. Use of Commissioner discretion, similar to Subdiv 291-D



“Currently the laws will require identification of clients near the threshold and model both opening and closing TSB outcomes (post transitional year).”

Fund-level: Division 296 fund earnings

- **Division 296 fund earnings** = taxable income (incl. realised gains) – assessable contributions + net ECPI – non-arm's length component + PST component (if any)
- Net ECPI = ECPI reduced by related 8-1 deductibles (cannot be negative); some capital gains from segregated pension assets are included via modified net capital gain



ISSUES FLAGGED:

- Net ECPI treatment may omit non-8-1 deductions (depreciation, capital works, LRBA costs) – inflates ECPI add-back.
- Franking gross-up and notional items may overstate earnings



Consider that net ECPI could also include a non-arm's length component so may be instances where it is required to do a separate net ECPI calculation

Attribution to members

GENERAL RULE + SMALL FUND RULE

- General attribution: “fair and reasonable” per regulations (principles to be prescribed)
- **SMSFs**: regulations may require a prescribed approach and/or an actuary certificate (time-weighted or proportionate method?)



ISSUES FLAGGED:

- Actuary certificate requirement for many small funds creates cost/admin burden; single-member exclusion required.
- Ambiguity on fair & reasonable rules and mid-year membership / tenure effects



SMSF industry through submissions have flagged mandatory actuary use, seeking carve-outs for single-member or funds fully in pension phase.

Transitional CGT adjustment

DIV 296 TAX - COST BASE

- SMSFs may elect (by 2026-27 tax return due date) to reset the cost base of all CGT assets held 30 June 2026 to market value for Division 296 purposes only
- Election is **all** assets, irrevocable, and applies to direct assets only
- Reset does **NOT** adjust underlying assets held inside unit trusts/companies – SMSF can reset units' cost base, but not the trust's underlying asset cost base for Div 296 purposes.



ISSUES FLAGGED:

- All-or-nothing election and direct-only scope are problematic – requests for asset-by-asset option and/or extension to indirect assets
- Indirect assets - pre-2026 gains embedded in underlying assets can be taxed via distributions or trust disposals
- Variable SMSF tax return due dates and valuation workload create operational risk



SMSF industry through submissions have flagged possibility of similar CGT treatment to 1988 CGT introduction

Administration, reporting, assessments & payments

- Funds must report Division 296 data on SAR/statements; Commissioner issues assessment to individuals; 84 days to pay after notice.
- **Options:** release authority to pay tax from super; Division 296 debt account (defer for certain interests) – shortfall interest and interest on credit rules apply.



ISSUES FLAGGED:

- Operational burden from amended fund tax returns triggering re-submissions and reassessments.
- Liquidity mismatch: funds may be forced to realise assets or release benefits to pay assessed tax.



Re-reporting risks exist if a fund needs to amend returns. Submission have called for de-minimis thresholds for re-requests and the need for clearer ATO processes and timings.

Special cases & exclusions

DEATH, TPD, LRBA, STRUCTURED SETTLEMENTS

- Structured settlement contributions excluded from TSB; some death/annuity/defined-benefit interests excluded per regulations.
- LRBA amounts: certain LRBA amounts are excluded when computing TSB for Div 296



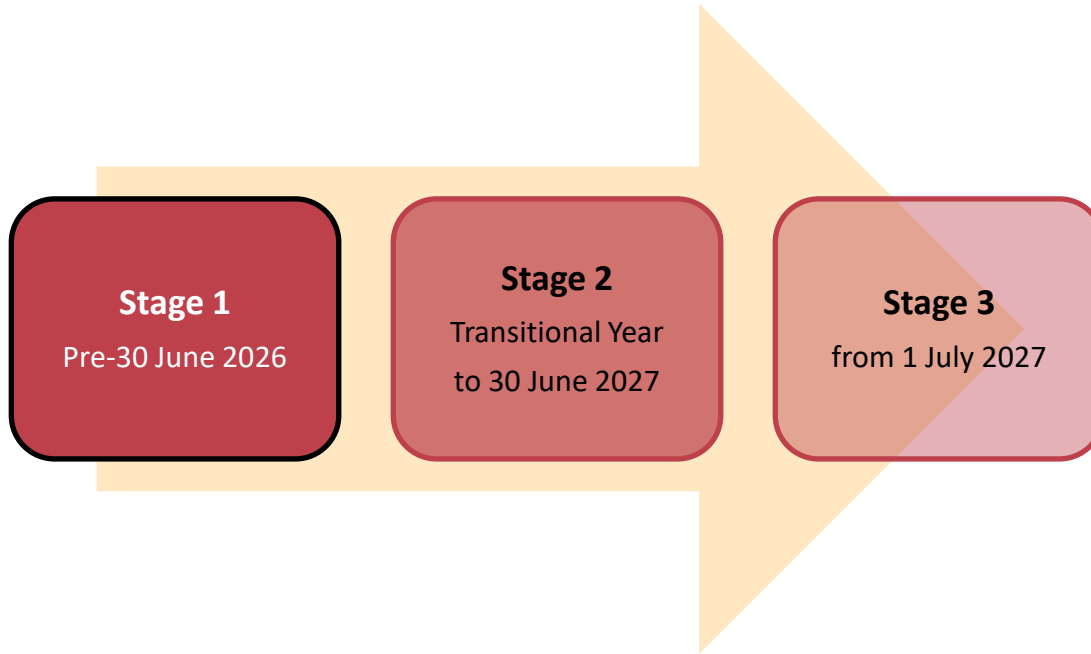
ISSUES FLAGGED:

- Death and TPD proceeds treatment unclear – stakeholders call for parity with structured settlements and clearer drafting
- Family law splits, reversionary interests, defined benefit valuation require clearer regulations/guidance



Submissions have asked for consistent treatment of TPD/terminal illness and structured settlements, along with explicit guidance on insurance proceeds and family law split valuation.

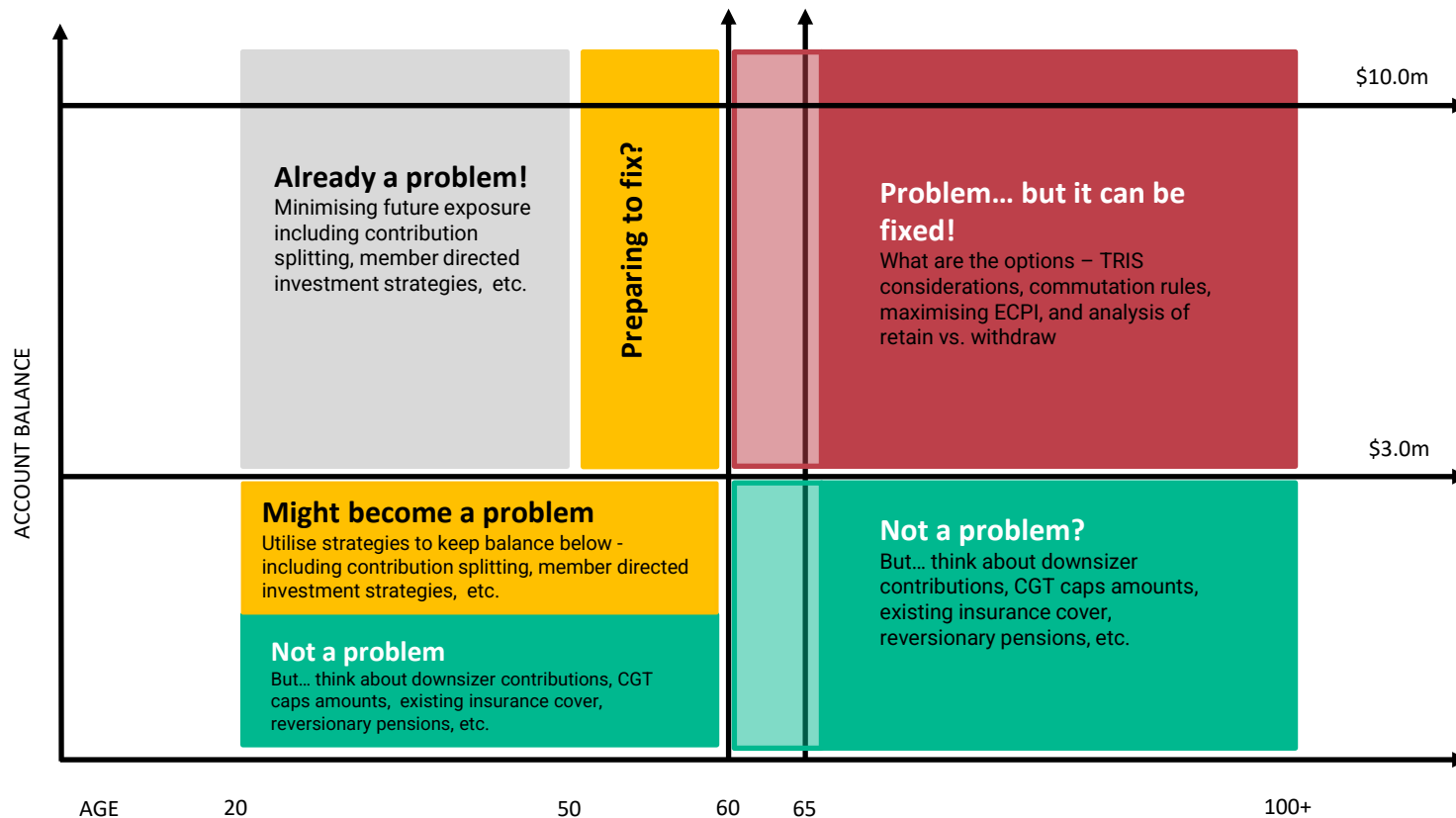
Three phase to Div 296



Understand the actions required at each of the different stages and how they will impact your SMSF clients.



Division 296 – client strategy matrix



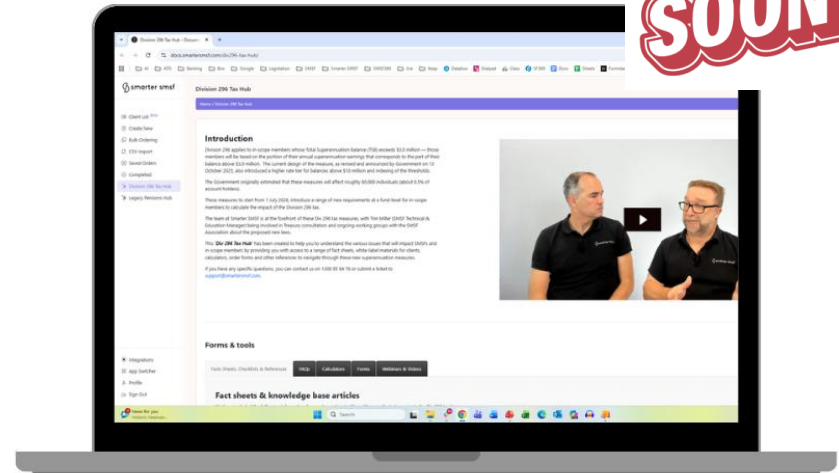


New 'Div 296 Tax Hub'

Smarter SMSF is creating a Hub on the platform to access fact sheets, white-label content, reference material, FAQs, calculators (WIP) and order forms related to the proposed Div 296 tax laws.

Release date: Early February 2026

**COMING
SOON**





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DIV 296 TAX IS A KEY FOCUS FOR THE UPCOMING SMSF DAYS



17 - 31 March 2026

smsf day

smartersmsf.com/smsfday

Your co-hosts for the SMSF Day 2026 events



Aaron Dunn
CEO & Co-founder




Tim Miller
SMSF Technical &
Education Manager



More details about the SMSF Day events and a **special offer** for webinar attendees will be provided at the end of today's session.



Dates & locations:

- 📍 Brisbane: Tues, 17 March 2026
- 📍 Perth: Thur, 19 March 2026
- 📍 Adelaide: Tues, 24 March 2026
- 📍 Melbourne: Thur, 26 March 2026
- 📍  LIVE **Thur, 26 March 2026**
- 📍 Sydney: Tues, 31 March 2026

Join us for one of the most popular SMSF events on the calendar each year as Smarter SMSF brings you to SMSF Day 2026 events around Australia from 17 March to 31 March 2026 (incl. livestream).

smartersmsf.com/smsf-day/



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WHAT'S AHEAD FOR CONTRIBUTION PLANNING?

The impact of inflation on...

Concessional contribution cap formula

$$= \frac{\text{AWOTE Dec qtr immediately prior to financial year}}{\text{AWOTE Base* qtr (December 2016)}}$$

* Base Factor = 1,533.40

≥ Target Dec 2025 Factor = 1,993.5 (May 25 = 2,010.00)

Increase @ \$32,500– concessional

Increase @ \$130,000– non-concessional

AWOTE figures will be released on 26 February 2026

Transfer Balance Cap formula

$$= \frac{\text{CPI Dec qtr immediately prior to financial year}}{\text{CPI Base* qtr (December 2016)}}$$

* Base Factor = 110.00

≥ Target Dec 2025 Factor = 144.4 (Sept 2025 = 143.6)

Projected to increase to \$2,100,000

CPI figures **released** on 28 January 2026 @ 11:30am AEDT



The Government have commenced releasing CPI figures monthly from September 2025 – they will continue to release quarterly updates as well which will represent the average of the 3 months



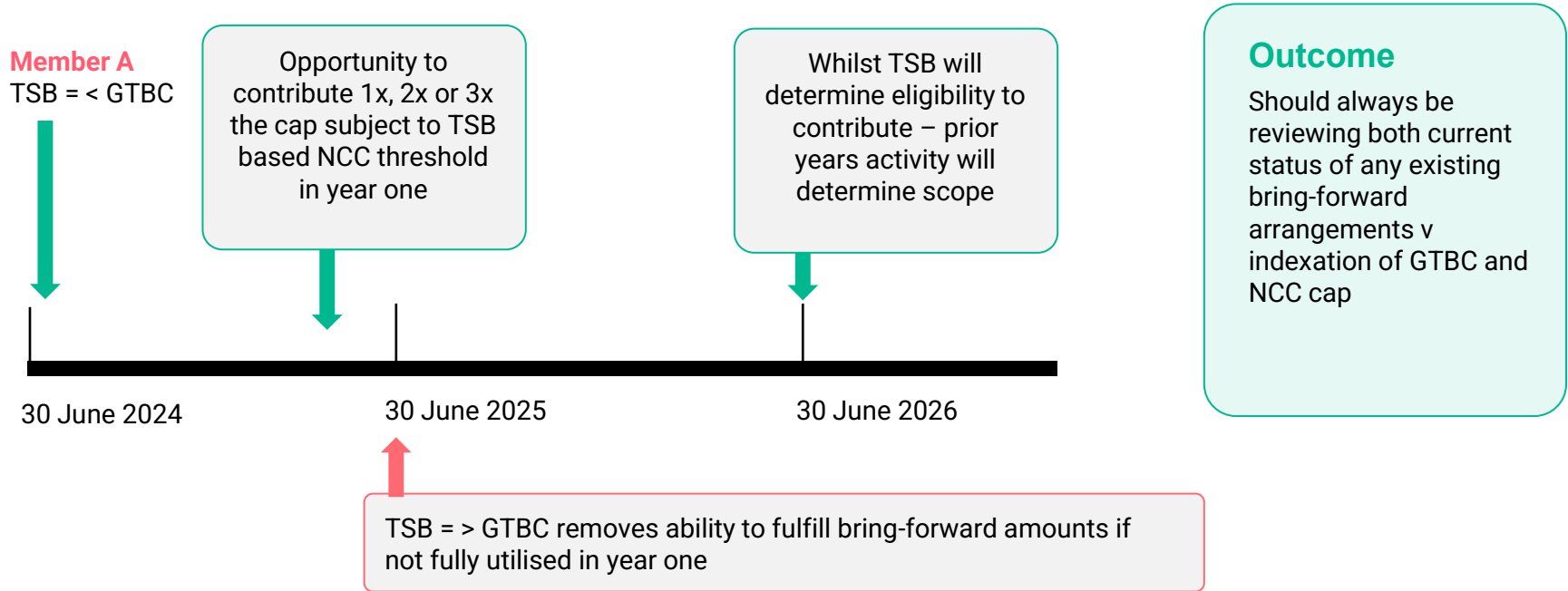
The impact of inflation on...

Non-concessional contribution strategies (expected 1 July 2026)

TSB - previous 30 June	NCC cap for the first year	Bring forward period
Less than \$1.84 million	\$390,000	3 years
\$1.84 million to less than \$1.97 million	\$260,000	2 years
\$1.97 million to less than \$2.1 million	\$130,000	No bring forward period , general non-concessional contributions cap applies
\$2.1 million or more	Nil	N/A

The impact of inflation on contribution strategies...

Indexation of the concessional contribution cap (and by extension the non-concessional cap) and the general transfer balance cap provides opportunities **but** those opportunities come with conditions





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WHAT ELSE IS IMPORTANT WITH SMSFs IN 2026?

The ATO is now 'tooled up' to move from education to enforcement

- Beware of the ATO's focus on enforcement
- Sizeable increase in trustee disqualification
- Finalisation of education direction PS LA 2026/1
- Does this mean we might see TBAR 'failure to lodge' (FTL) penalties in 2026?
 - ATO – Advice under development: Admin penalties with STP reporting obligations (super funds).
- Unfinalised draft rulings on IER
 - PSLA 2021/D3 is currently on hold but has not been withdrawn
 - TD 2021/D6 is directly linked to PSLA 2021/D3

Legacy pension conversions

If you haven't done anything, it might be time to get your skates on...

- Regulations in effect for >12 mths now to allow for individuals to exit certain legacy retirement products – Market Linked Pensions (accounts-based), Lifetime Complying and Life Expectancy Pensions (defined benefits).
- New regulations provide a more **generous** outcome to exit the specified range of legacy pensions:
 - Can commute and purchase an ABP (subject to transfer balance cap), can retain in accumulation or withdraw from super system
 - Amnesty period up to 5 years to exit a legacy pension (from beginning of regulations);
 - Generally, no tax impost to exit the pensions – predominantly where transferred to the pension member; and
 - **Favourable** Social Security treatment – loss of ATE but subject to debt waiver (finalised October 2025)
- **NB:** will be subject to different regulations for earnings and valuation purposes under Div 296

The impact of inflation on...

Limited recourse borrowing arrangements

- May 2025 RBA Indicator Lending Rates for banks increased standard variable housing loans for investors from 9.35% to 8.95% (from 1 July 2025)
- Current rate (December 2025) further reduction to 8.60%
- With forecasts for potential interest rate hikes varying, this may result in the 'safe harbour' LRBA interest rates (PCG 2016/5) moving slightly down, or remaining stagnant (+2% for shares) from 1 July 2026
 - Commercial lender rates currently starting at ~6.19% (down 0.8 from previous year)



Comment – we have been suggesting clients blow up existing safe harbour arrangements for past two years – given on average they have been paying between 2- 3% higher interest v commercial!



Isn't it time?

Unresolved previous Government measures impacting SMSFs



SMSF Residency

The previous Government formally previously announced that they intended to defer this (2021-22) measure to allow further time for the policy to be legislated and implemented.

Start date previously announced to apply from the financial year following Royal Assent being received (1 July 2022) , isn't it time this innocuous change was introduced.



Electronic document execution

Unresolved measures within the ETA Regulations that exclude SIS provisions from the technology neutrality provisions.

Need to still contemplate requirements for 'wet ink' vs. allowing electronic signing.

Further budget submission made by SMSFA to resolve.

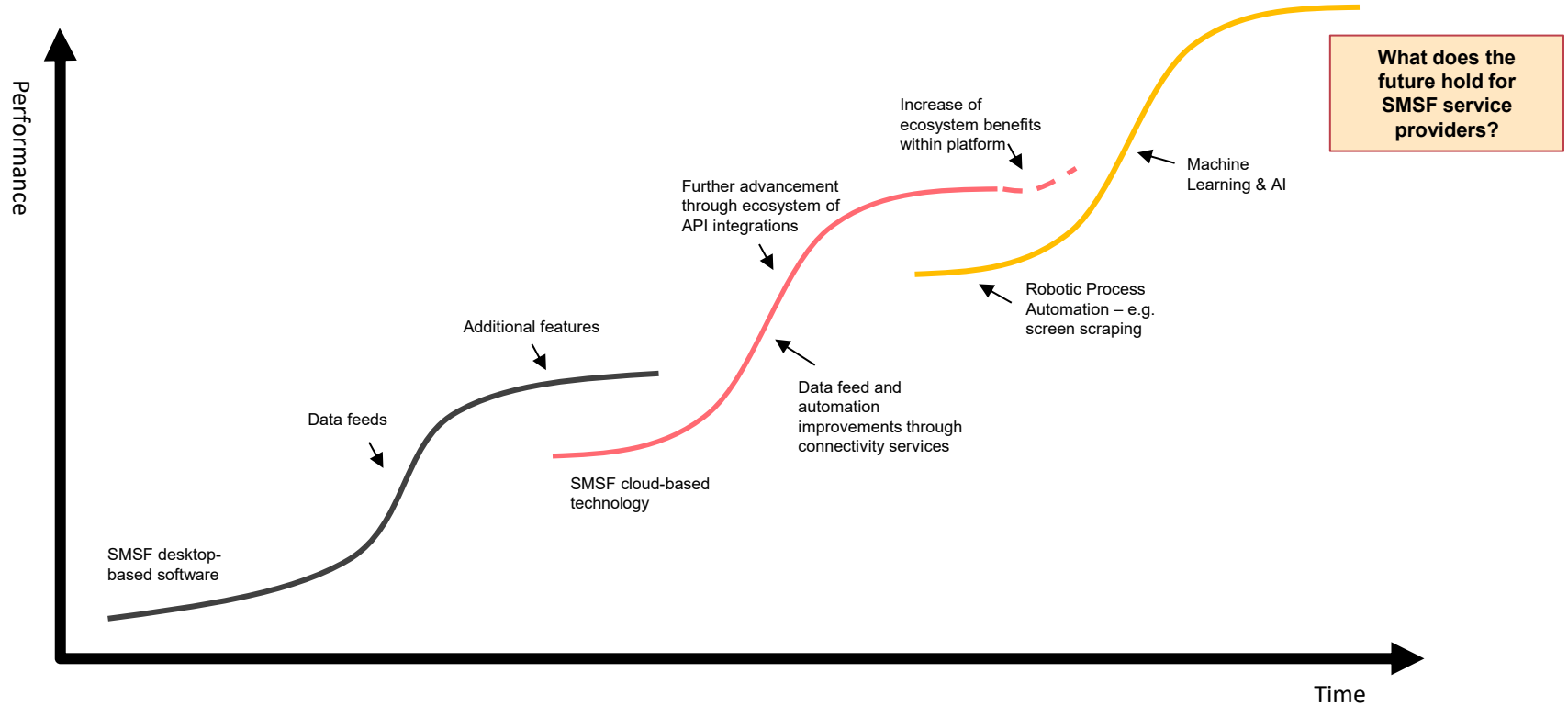


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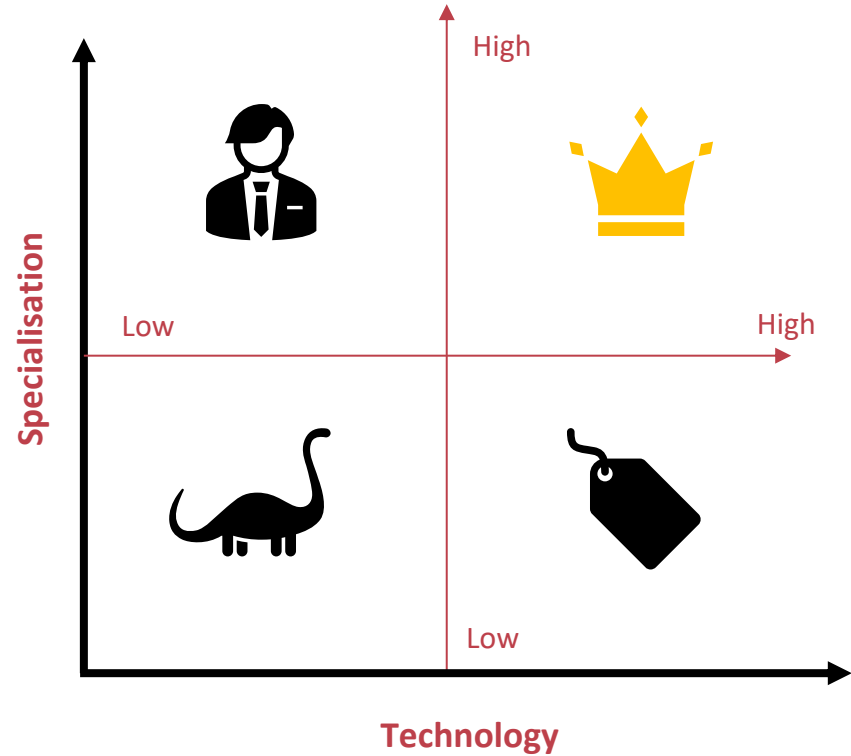
HOW WILL 'AI' INFLUENCE THE SMSF SECTOR IN 2026?



Technology is rapidly changing the SMSF sector



How new technologies will continue to define SMSF success





Meet sma



The AI-powered SMSF technical assistant is launching soon.

Built on the trusted knowledge of Smarter SMSF.

smartersmsf.com/ask-smartie



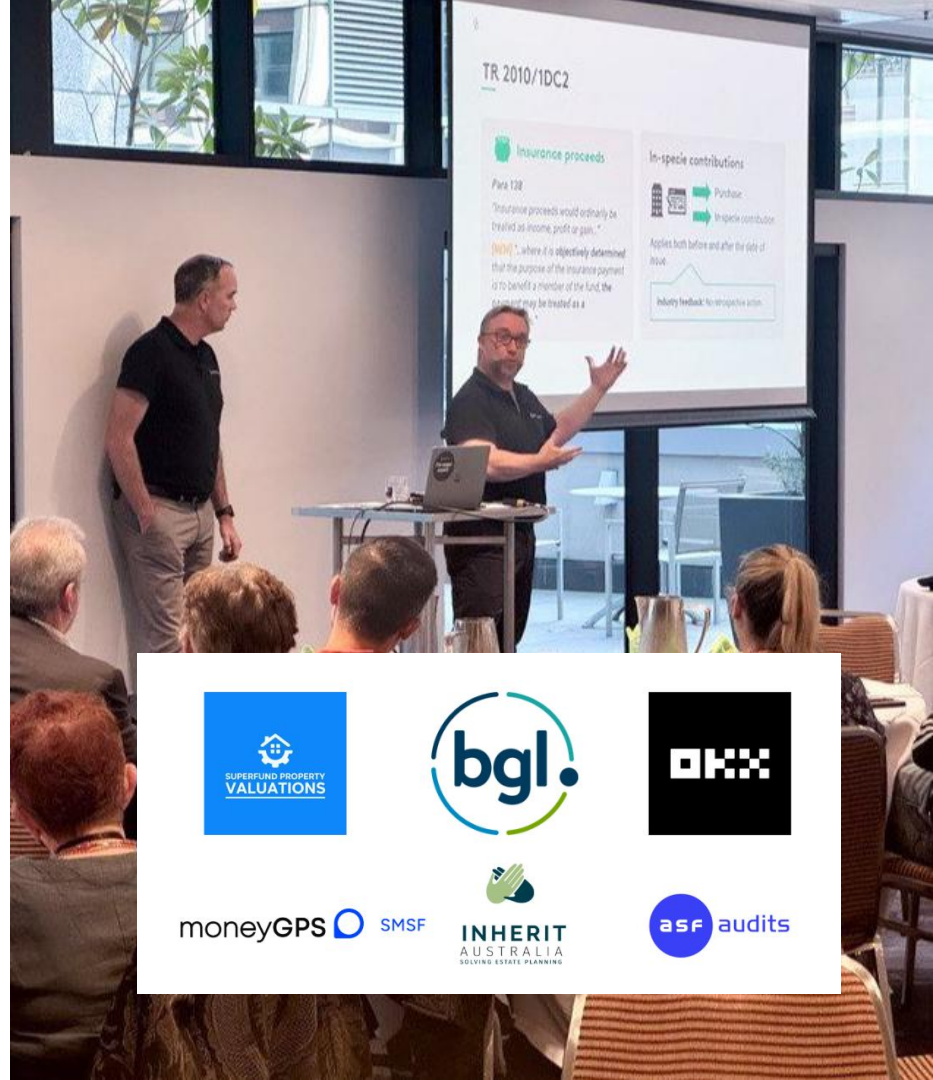
meet smartie

Agenda

- Agenda for the SMSF Day in **now available**
- 4 x sessions, including use of case study to explore Division 296 tax and other SMSF topics
- Sessions will include activities for completion to help develop a stronger understanding of the technical and practical issues / strategies.
- Additional materials included such as workbooks, flowcharts, checklists, etc.
- **8 x CPD hours awarded**

smartersmsf.com/smsf-day/

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Dates & Locations



BRISBANE

17 MARCH 2026

BRISBANE

HOTEL GRAND
CHANCELLOR



PERTH

19 MARCH 2026

PERTH

NOVOTEL PERTH
LANGLEY

SELLING FAST!



ADELAIDE

24 MARCH 2026

ADELAIDE

MAYFAIR HOTEL



MELBOURNE

26 MARCH 2026

MELBOURNE

RACV CITY CLUB

SELLING FAST!



26 MARCH 2026

LIVE STREAM
(ONLINE)



SYDNEY

31 MARCH 2026

SYDNEY

CROWNE PLAZA
DARLING HARBOUR



Numbers at each venue are strictly limited



WEBINAR OFFER



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STATE OF SMSFs 2026

WEBINAR EVENT TICKET OFFER

<https://smartersmsf.com/smsf-day/>

Tickets	SMSF Day events
Standard ticket	\$693
Corporate tickets (min. 10 tickets)	Request corporate brochure & pricing
Early bird ^	\$495
Webinar offer *	\$440
Members	\$428 (anytime via coupon code) <i>subject to capacity</i>

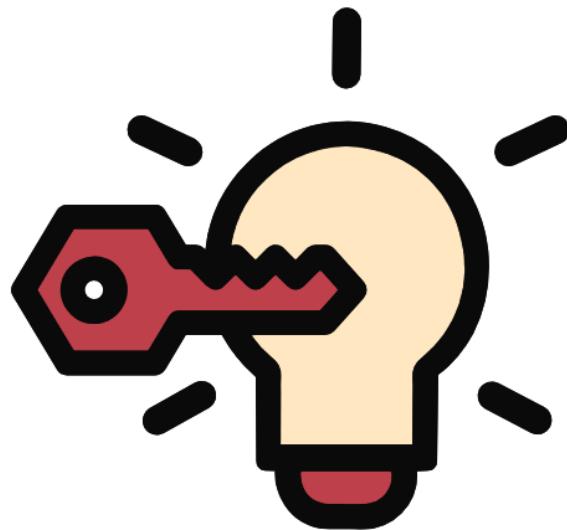
* Webinar offer applies until **Friday, 30th January 2026 only**. Use the **coupon code** **'statesd26'** to apply the webinar discount when purchasing the ticket (we will send the coupon code in post-event email).

^ Early bird pricing available until 15th February 2026.

All amounts are inclusive of GST.

Key takeaways

- SMSF industry continues to see changes across the legislative, regulatory and policy front. Keeping up-to-date can be a challenge for you and your team.
- 2026 will throw up some interesting challenges and opportunities for the SMSF sector.
- Reality is that SMSF sector is in 'good shape', with growing demand for knowledge and support to assist trustees across the lifecycle – it remains a growth story, so what role are you going to play?



Post event

- A copy of the webinar slides will be sent in an email shortly after the session, which includes a survey link.
- Survey can be completed upon exiting the webinar.
- The webinar recording will be made available within the next 24 hours to attendees
 - CPD Members – to be uploaded into learning platform in next 2-3 days, including CPD assessment
- CPD certificates:
 - Accredited hours: 1.0 hrs
 - CPD certificate will be provided within 2-3 business days
- Consider becoming a CPD member to gain access to 25+ new hours of accredited continuing professional development, plus CPD training available via learn platform.




Complete survey to win!

Complete the survey and go into the draw to win your choice of a CPD Regular membership (valued at \$880) or a ticket to an SMSF Day event.

**Winner will be notified on
Wednesday, 4 February 2026**

Smart people learn together





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 <https://smartersmsf.com>



[Subscribe our YouTube channel](#) for more videos and webinars about our weekly 'feeling smarter' series, along with the various products, documents and integrations features we highlight that are available with Smarter SMSF.

Smarter SMSF - upcoming events 2026:	
	05 February – Smarter SMSF Feb 2026 update
	10 February – SMSF issues in dealing with incapacity
	04 March – Changing Face of SMSF
	12 March – 10 reasons your SMSF deed may be out of date

-  Product demo webinar
-  CPD webinar event
-  Face-to-face event
-  Free CPD webinar event

To find out more, visit:
<https://smartersmsf.com/events>



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Changes in circumstances may occur at any time and may impact on the accuracy, reliability or completeness of the information and we exclude liability for any decision taken based on the information shown in or omitted from this presentation.

We have taken reasonable care in producing the information found in this presentation at the time of writing.

Prepared as of 27 January 2026

Thank-you

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