

**THE SIZE, COST, ASSET ALLOCATION AND
AUDIT ATTRIBUTES OF AUSTRALIAN SELF-
MANAGED SUPERANNUATION FUNDS**

Adrian Michael Raftery

**A thesis submitted in fulfilment of the requirements for the degree of
Doctor of Philosophy**

May 2014

**Accounting Discipline Group
University of Technology, Sydney**

Supervised by:

Professor Andrew Ferguson

Professor Hazel Bateman ^a

Dr Anna Wright

^a School of Risk and Actuarial Studies, University of NSW

TABLE OF CONTENTS

LIST OF TABLES	viii
LIST OF FIGURES	x
CERTIFICATE OF ORIGINAL AUTHORSHIP	xi
ACKNOWLEDGMENTS	xii
ABSTRACT	xiv
GLOSSARY	xvi
1. INTRODUCTION.....	1
1.1 Overview	1
1.2 Motivation	1
1.3 Objectives and research questions.....	3
1.4 Summary of major findings and contributions.....	5
1.5 Structure of the thesis	7
2. BACKGROUND OF THE AUSTRALIAN SUPERANNUATION INDUSTRY	8
2.1 Introduction	8
2.2 Superannuation funds in Australia: a brief overview	8
2.3 Self-managed superannuation funds.....	11
2.4 Summary	16
2.5 Chapter 2 figures and tables	17
3. THE SIZE, COST AND ASSET ALLOCATION OF AUSTRALIAN SELF-MANAGED SUPERANNUATION FUNDS	23
3.1 Introduction	23
3.2 Prior literature.....	24
3.2.1 Asset allocation	25
3.2.2 Costs.....	26
3.3 Research design, sample selection and data sources.....	29
3.3.1 Research design.....	29
3.3.2 Sample.....	30
3.3.3 Data used for experimental design.....	31
3.3.4 Descriptive statistics.....	32
3.4 Results	33
3.4.1 Size.....	33

3.4.2	Asset allocation	34
3.4.3	Income, taxes and costs	35
3.4.4	Multivariate tests	37
3.5	Further analysis	41
3.5.1	SMSF cost matrix	41
3.5.2	Superannuation fund balance comparison	42
3.6	Sensitivity testing	42
3.6.1	Extreme observations	42
3.6.2	Insurance	44
3.6.3	State/territory sub-samples	44
3.7	Summary and conclusions	45
3.8	Chapter 3 figures and tables	47
4.	UNDERSTANDING ASSURANCE IN THE AUSTRALIAN SELF-MANAGED SUPERANNUATION FUND INDUSTRY	93
4.1	Introduction	93
4.2	Prior literature and hypotheses development	97
4.2.1	Prior literature	97
4.2.2	Hypotheses development	101
4.3	Research design, sample selection and data sources	104
4.3.1	Research design	104
4.3.2	Sample	109
4.3.3	Data used for experimental design	111
4.3.4	Descriptive statistics	111
4.4	Results	113
4.4.1	Multivariate analysis	113
4.5	Further analysis	116
4.5.1	Auditor impact on fund performance	116
4.6	Sensitivity tests	118
4.6.1	Industry leaders	118
4.6.2	Service bundling	118
4.6.3	Auditor independence	119
4.6.4	Professional affiliations	120
4.6.5	Non-audit services	121

4.6.6	State/territory sub-samples.....	123
4.6.7	Extreme observations.....	125
4.6.8	Influential auditors.....	126
4.6.9	Jointness of audit and non-audit fees.....	127
4.6.10	All available observations.....	127
4.7	Summary and conclusions.....	128
4.8	Chapter 4 figures and tables.....	130
5.	SUMMARY AND CONCLUSIONS.....	137
5.1	Summary.....	137
5.2	Contributions and implications.....	138
5.3	Limitations.....	139
5.4	Suggestions for future research.....	140
6.	REFERENCES.....	142
7.	APPENDICES.....	152
	Appendix A: 2010 Form F SMSF tax return data fields.....	152
	Appendix B: Sample SMSF independent auditor's report.....	157
	Appendix C: Explanation of selected sections of <i>SIS Act 1993</i> and <i>SIS Regulations 1994</i>	160
	Appendix D: Descriptive statistics of self-managed superannuation funds sample by state/territory, 2008-2010.....	163
	Appendix E: Descriptive statistics of self-managed superannuation funds sample, 2008-2010 (including extreme observations).....	171
	Appendix F: Asset allocation breakdown of Australian SMSF sample, 2008-2010 ranked by size deciles (extreme observations).....	172
	Appendix G: Asset allocation breakdown of SMSF sample, 2008-2010 ranked by investment in growth assets deciles (extreme observations).....	180
	Appendix H: Breakdown of income, expenses and tax for SMSF sample as a percentage of assets (mean), 2008-2010 ranked by total assets size (extreme observations).....	188
	Appendix I: Estimation of annual running costs for SMSFs sample in accumulation phase by state, 2008-2010.....	196
	Appendix J: Estimation of annual running costs (including insurance) for SMSFs sample in accumulation phase by state, 2008-2010.....	204
	Appendix K: Estimation for the main effects of annual running costs for Australian SMSFs sample by state/territory, 2008-2010.....	205

Appendix L: Estimation of annual running costs (including insurance) for Australian SMSFs sample, 2008-2010.....	209
Appendix M: Estimation of annual running costs (including insurance) for Australian SMSFs sample by state/territory, 2008-2010	210
Appendix N: Estimated annual SMSF Costs Matrix in accumulation phase (including insurance) by investment option, 2008-2010	214
Appendix O: Descriptive statistics of self-managed superannuation funds (SMSFs) sample by state/territory, 2008-2010.....	219
Appendix P: Descriptive statistics of self-managed superannuation funds (SMSFs) sample audited by professional bodies, 2008-2010.....	228
Appendix Q: Audit fee estimation of industry leader premiums for SMSFs sample by state/territory, 2008-2010	235
Appendix R: Audit fee estimation of industry leader premiums for Australian SMSFs sample, 2008-2010	241
Appendix S: Audit fee estimation of industry leader premiums for SMSFs sample partitioned by total assets (median), 2008-2010	242
Appendix T: Audit fee estimation of professional body premiums for SMSFs sample by state/territory, 2008-2010	244
Appendix U: Audit fee estimation of professional body premiums for Australian SMSFs sample, 2008-2010.....	252
Appendix V: Audit fee estimation of professional body premiums for Australian SMSFs sample by state/territory, 2008-2010	253
Appendix W: Audit fee estimation of professional body premiums (split) for Australian SMSFs sample, 2008-2010.....	257
Appendix X: Audit fee estimation of professional body premiums (split) for Australian SMSFs sample by state/territory, 2008-2010	258
Appendix Y: Audit fee estimation of professional body premiums for SMSFs sample partitioned by total assets (median), 2008-2010	266
Appendix Z: Non-audit services (NAS) fee estimation for industry leaders for SMSFs sample by state/territory, 2008-10.....	268
Appendix AA: Non-audit services (NAS) fee estimation for industry leaders for Australian SMSFs sample, 2008-10.....	271
Appendix AB: Audit fee estimation of industry leader premiums for Australian SMSFs sample, 2008-10.....	272
Appendix AC: Non-audit services (NAS) fee estimation (split) for industry leaders for Australian SMSFs sample, 2008-10	273
Appendix AD: Non-audit services (NAS) fee estimation for professional bodies for SMSFs sample by state/territory, 2008-10	274

Appendix AE: Non-audit services (NAS) fee estimation for professional bodies for Australian SMSFs sample, 2008-10	280
Appendix AF: Non-audit services (NAS) fee estimation for professional bodies for Australian SMSFs sample, 2008-10	281
Appendix AG: Audit fee estimation of professional body premiums for Australian SMSFs sample, 2008-10	282
Appendix AH: Audit quality estimation for industry leaders for SMSFs sample by state/territory, 2008-2010	283
Appendix AI: Audit quality estimation for industry leaders (split) for Australian SMSFs sample, 2008-2010	287
Appendix AJ: Audit quality estimation for ‘good’ and ‘bad’ breaches by industry leaders for Australian SMSFs sample, 2008-2010	288
Appendix AK: Audit quality estimation for professional body members for Australian SMSFs sample by state/territory, 2008-2010	290
Appendix AL: Audit quality estimation for professional body members (split) for Australian SMSFs sample, 2008-2010	294
Appendix AM: Audit quality estimation for ‘good’ and ‘bad’ breaches by professional body members for Australian SMSFs sample, 2008-10	295
Appendix AN: Total fee estimation of industry leader premiums for Australian SMSFs sample, 2008-2010 redefining dependent variable as total auditor work	297
Appendix AO: Total fee estimation of industry leader premiums for Australian SMSFs sample by state/territory, 2008-2010 redefining dependent variable as total auditor work	298
Appendix AP: Total fee estimation of professional body premiums for Australian SMSFs sample, 2008-2010 redefining dependent variable as total auditor work	304
Appendix AQ: Total fee estimation of professional body premiums for Australian SMSFs sample by state/territory, 2008-2010 redefining dependent variable as total auditor work	305
Appendix AR: Total fee estimation of professional body premiums for Australian SMSFs sample, 2008-2010	313
Appendix AS: Total fee estimation of professional body premiums for Australian SMSFs sample by state/territory, 2008-2010 redefining dependent variable as total auditor work	314
Appendix AT: Total fee estimation of professional body premiums (split) for Australian SMSFs sample by state/territory, 2008-2010 redefining dependent variable as total auditor work	318
Appendix AU: ROA estimation for industry leaders for Australian SMSFs sample, 2008-2010	319

Appendix AV: Descriptive statistics of self-managed superannuation funds (SMSFs) sample, 2008-2010 (extreme observations).....	323
Appendix AW: Audit fee estimation of industry leader premiums for Australian SMSFs sample, 2008-2010 (extreme observations).....	324
Appendix AX: Audit fee estimation of professional body premiums for Australian SMSFs sample, 2008-2010 (extreme observations).....	325
Appendix AY: Non-audit services (NAS) fee estimation for industry leaders for Australian SMSFs sample, 2008-10 (extreme observations).....	326
Appendix AZ: Non-audit services (NAS) fee estimation for professional bodies for Australian SMSFs sample, 2008-10 (extreme observations).....	327
Appendix BA: Audit quality estimation for industry leaders for Australian SMSFs sample, 2008-2010 (extreme observations).....	328
Appendix BB: Audit quality estimation for professional body members for Australian SMSFs sample, 2008-2010 (extreme observations).....	329
Appendix BC: Total fee estimation of industry leader premiums for Australian SMSFs sample, 2008-2010 redefining dependent variable as total auditor work (extreme observations).....	330
Appendix BD: Audit fee estimation of industry leader premiums for SMSFs sample excluding one leader at a time, 2008-2010.....	331
Appendix BE: Audit fee estimation of professional body premiums for SMSFs sample excluding one state at a time, 2008-2010.....	341
Appendix BF: Audit quality estimation for industry leaders for SMSFs sample excluding one leader at a time, 2008-2010.....	349
Appendix BG: Audit quality estimation for professional body members for Australian SMSFs sample excluding one state at a time, 2008-10.....	359
Appendix BH: Non-audit services (NAS) fee estimation for industry leaders for SMSFs sample excluding <i>LEADER_6</i> , 2008-10.....	367
Appendix BI: Non-audit services (NAS) fee estimation for professional body members for sample excluding one state at a time, 2008-10.....	368
Appendix BJ: Audit fee estimation of industry leader premiums for SMSFs sample excluding observations with other services provided, 2008-10.....	376
Appendix BK: Audit fee estimation of professional body premiums for SMSFs sample excluding observations with other services provided, 2008-10.....	377
Appendix BL: Audit quality estimation for industry leaders for SMSFs sample excluding observations with other services provided, 2008-10.....	378
Appendix BM: Audit quality estimation for professional body members for SMSFs sample excluding observations with other services provided, 2008-2010.....	379

Appendix BN: Total fee estimation for industry leaders for SMSFs sample, 2008-10	380
Appendix BO: Total fee estimation of professional body premiums for SMSFs sample, 2008-10	381
Appendix BP: Correlation matrix.....	382
Appendix BQ: Audit quality estimation for industry leaders for Australian SMSFs sample, 2008-2010	383
Appendix BR: Audit quality estimation of professional body members for Australian SMSFs sample, 2008-2010.....	384
Appendix BS: Non-audit services (NAS) fee estimation for industry leaders for Australian SMSFs sample, 2008-2010	385
Appendix BT: Non-audit services (NAS) fee estimation for professional body members for Australian SMSFs sample, 2008-2010.....	386

LIST OF TABLES

Page

Table 2.1: Superannuation trends in Australia - 1996-2013	18
Table 2.2: Australian superannuation funds - rate of return (ROR) and volatility	20
Table 2.3: Australian superannuation funds – operating and investment expenses as a percentage of assets.....	21
Table 3.1: Self-managed superannuation funds sample by year, 2008-2010	60
Table 3.2: Descriptive statistics of self-managed superannuation funds sample, 2008-2010.....	61
Table 3.3: Asset allocation breakdown of Australian SMSF sample, 2008-2010 ranked by size deciles	62
Table 3.4: Asset allocation breakdown of SMSF sample between 2008-2010 ranked by investment in growth assets deciles	70
Table 3.5: Breakdown of income, expenses and tax for SMSF sample as a percentage of assets (mean), 2008-2010 ranked by total assets size	78
Table 3.6: Estimation of annual running costs for Australian SMSFs sample in accumulation phase, 2008-2010.....	86
Table 3.7: Estimation for main effects of annual running costs for Australian SMSFs sample in accumulation phase, 2008-2010	87
Table 3.8: Estimated annual costs matrix for SMSFs in accumulation phase by investment option (excluding insurance), 2008-2010.....	88
Table 4.1: Self-managed superannuation funds sample by year, 2008-2010	130
Table 4.2: Descriptive statistics of Australian self-managed superannuation funds (SMSFs) sample, 2008-2010.....	132
Table 4.3: Audit fee estimation of industry leader premiums for Australian SMSFs sample, 2008-2010.....	133

Table 4.4: Total fee estimation of industry leader premiums for Australian SMSFs sample in accumulation phase, 2008-2010	134
Table 4.5: Audit quality estimation for industry leaders for Australian SMSFs sample, 2008-2010	135
Table 4.6: Audit fee estimation of professional body premiums for Australian SMSFs sample, 2008-2010	136

LIST OF FIGURES

	Page
Figure 2.1: Superannuation industry in Australia 1996-2013 by total assets (\$ billion)	17
Figure 3.1: Total assets (mean) for sample of 209,420 Australian SMSFs in accumulation phase, 2008-2010 ranked by size deciles	47
Figure 3.2: Total assets (median) for sample of 209,420 Australian SMSFs in accumulation phase, 2008-2010 ranked by size deciles	48
Figure 3.3: Asset allocation for sample of 209,420 Australian SMSFs in accumulation phase, 2008-2010	49
Figure 3.4: Percentage of sample of 209,420 Australian SMSFs in accumulation phase, 2008-2010 ranked by deciles in growth assets.....	50
Figure 3.5: Total assets (mean) for sample of 209,420 Australian SMSFs in accumulation phase, 2008-2010 ranked by deciles in growth assets.....	51
Figure 3.6: Total assets (median) for sample of 209,420 Australian SMSFs in accumulation phase, 2008-2010 ranked by deciles in growth assets.....	52
Figure 3.7: Estimated annual running costs (by investment option) by number of SMSF members	53
Figure 3.8: Superannuation fund balance comparison (by investment option)	55

CERTIFICATE OF ORIGINAL AUTHORSHIP

I certify that the work in this thesis has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree except as fully acknowledged within the text.

I also certify that the thesis has been written by me. Any help that I have received in my research work and the preparation of the thesis itself has been acknowledged. In addition, I certify that all information sources and literature used are indicated in the thesis.

Signature of Student:

Date:

ACKNOWLEDGMENTS

I would like to express the deepest appreciation to the support and loyalty of my principal supervisor, Professor Andrew Ferguson. Thank you for your guidance, motivation and mentoring during the last three years. Without your supervision and constant help this dissertation would not have been possible. I will miss our daily chats about the fluctuating fortunes of the Australian cricket team.

I would like to thank the assistance of Professor Hazel Bateman, Dr. Anna Wright and Dr. Bruce Arnold who were always available and offered valuable guidance along the way. Thank you to Professor Peter Wells for giving me this wonderful opportunity to reinvent my career three years ago. I also benefited from the advice and help of my fellow PhD students: Alexey Feigin, Matt Grosse, Gabriel Pündrich and Thomas Scott. Thanks to all the help from other UTS staff members, students and visitors. I acknowledge receiving financial support from Discipline of Accounting at UTS.

I would like to acknowledge the Superannuation business line of the Australian Taxation Office (ATO) for the provision of the fund data set on which the analysis in this thesis is based. This research has been assisted by The Institute of Chartered Accountants in Australia (ICAA) through its Academic Research Grant Scheme and supported by the Centre for International Finance and Regulation (CIFR) - project number E104 (see www.cifr.edu.au). The views expressed herein are mine and are not necessarily those of the ATO, ICAA and CIFR nor any CIFR Consortium Member.

I also acknowledge comments and suggestions of Mike Bradbury, Elizabeth Carson, Jere Francis, Robert Knechel, Robyn Moroney, visiting professors to UTS, workshop participants at the University of New South Wales, UTS and seminar

participants at the 2013 AFAANZ Doctoral Consortium, 5th EARNet PhD Workshop, 5th Annual Quantitative Accounting Research Symposium, 11th Annual ANCAAR Audit Research Forum, the 21st Annual Colloquium of Superannuation Researchers, 2014 JCAE Joint Symposium, 50th BAFA Annual Conference and the 37th EAA Annual Congress.

Last and most importantly, I dedicate this thesis to my family, whose support and love was fundamental throughout this journey. Thank you to my mother and father, Mai and Mick Raftery, for your enduring love and support but also for instilling into me the core attributes that make me the man I am today. After arriving in Australia in 1971 with just \$20 and a suitcase, you have shown how lucky we can be in this great country with the right attitude and tremendous work ethic. Thank you to my wife Kylie Raftery and my two children, Hamish on earth and Sophie in heaven, for not only your love and group cuddles but for your unwavering support as we embarked on this new journey together. Thank you for showing tremendous understanding whilst I have spent endless hours in my Man Cave completing this thesis. May we enjoy the spoils of victory.

ABSTRACT

Using proprietary Australian Tax Office (ATO) data, this thesis documents the size, asset allocation and expenses incurred for a large sample of Australian self-managed superannuation funds (SMSFs) for the three fiscal years to June 2010. Further, it examines auditor industry specialisation, professional brand effects and auditor independence implications in the SMSF market. The analysis provides new insights into the fastest growing and largest segment of the Australian \$1.8 trillion retirement savings industry by complementing and extending prior superannuation studies of both small and large APRA funds to SMSFs. Two recent Government reviews have highlighted a lack of basic descriptive knowledge of the costs associated with running an SMSF. As a result, I develop an SMSF Costs Matrix - across five different model portfolios - to assist gaining a greater understanding of the annual operating costs of an SMSF in accordance with its investment strategy. As expected, I observe that SMSFs enjoy economies of scale in relation to running costs, with the annual median cost being approximately half those of industry and retail funds. I estimate that the relatively low-cost structure of SMSFs may have a positive impact on the final retirement balance for a model portfolio when compared with the fees of two other types of superannuation funds.

In terms of economics of auditing implications, when I consider the impact of industry specialisation, after controlling for factors known to determine audit fees, I find evidence of fee discounting by the leading suppliers of SMSF audits. This finding is consistent with Simunic (1980)'s assertion of competition in the small audit client market. However, when the dependent variable is redefined to the total 'bundle' of services (including audit and non-audit fees), most industry leaders are shown to earn a fee premium. This finding suggests that industry specialists price strategically and use audits

as a conduit to supply higher margin non-audit services (NAS). In terms of auditor independence, the supply of NAS is shown to improve the auditors' ability to report breaches, suggesting no independence concerns arising from joint supply of audit and NAS. Last, I find evidence of audit fee premiums for auditors with higher quality professional affiliations who are required to comply with auditing and ethical standards.

GLOSSARY

Here is an explanation of the key terms and abbreviations used throughout the thesis:

ABS – Australian Bureau of Statistics.

ACR – auditor contravention report.

ACT – Australian Capital Territory, a territory of Australia. Its capital city is Canberra which is also the Australian capital city.

Accumulation phase – the period of time prior to the pension phase (where an individual reaches the preservation age and retires) where the member is amassing superannuation investments in the anticipation of funding retirement. The majority of superannuation funds are in this phase.

Approved auditor – auditor of self-managed superannuation funds. Currently the Auditor-General, registered company auditors and members or fellows from six professional bodies (ICAA, CPA, IPA, ATMA, NTAA and SPAA) can audit SMSFs. Since 31 January 2013, ASIC has the responsibility for the monitoring and registration of approved SMSF auditors.

AFSL – Australian Financial Services Licence – a licence provided by ASIC that authorises a person or organisation who carries on a financial services business to provide financial services.

APRA – Australian Prudential Regulation Authority – APRA is responsible for regulating large superannuation funds (corporate, industry, public sector and retail) as well as SAFs. www.apra.gov.au.

ASIC – Australian Securities and Investments Commission – the corporate, markets and financial services regulator in Australia. Since 31 January 2013, ASIC has the responsibility for the monitoring and registration of approved auditors. www.asic.gov.au.

ASX – Australian Securities Exchange – the marketplace for trading shares, bonds and other securities in Australia. www.asx.com.au.

ATMA - Association of Taxation and Management Accountants www.atma.com.au.

ATO – Australian Taxation Office. The ATO’s role is to manage and collect tax as well as act as regulator SMSFs in Australia. www.ato.gov.au.

Authorised representative – a person authorised to provide financial advice or a financial service on behalf of an AFSL holder.

CGT - Capital Gains Tax – the tax payable on the disposal of an investment asset that was acquired after 19 September 1985. It is not a separate tax, just part of your income tax. The most common way you make a capital gain (or capital loss) is by selling or disposing of assets such as real estate, shares or managed fund investments.

Complying Superannuation fund – a superannuation fund that is regulated by the ATO and has been issued with a notice of compliance. Complying funds that meet the *SIS Act 1993* standards qualify for a concessional tax rate of 15 percent.

Concessional contribution – a contribution made by an individual, an employer or another party into a superannuation fund that is taxable within the fund at the concessional tax rate. It is claimed as a tax deduction by the contributor. Contribution limit for each superannuation fund member is \$25,000 per annum, increasing to \$35,000 per annum for those aged 60 and over from 1 July 2013 (and for those aged 50 and over from 1 July 2014).

Concessional Tax Rate – superannuation funds which comply with the *SIS Act 1993* qualify for the concessional tax rate of 15 percent. Non-complying superannuation funds do not receive the concessional tax rate and are taxed at 45 percent. Contributions made by individuals earning more than \$300,000 are taxed at 30 percent.

Condition of release – a condition, normally retirement, that must be satisfied before you can access your benefits in a superannuation fund.

Contribution – the money or asset directly contributed by an individual, an employer or another party into a superannuation fund.

CPA – Certified Practising Accountant – one of the three professionally recognised accounting bodies in Australia (along with ICAA and IPA) www.cpaaustralia.com.au

Defined benefits fund – a superannuation fund that pays a final superannuation benefit based on a formula that takes into account your final salary and the number of years that you work for your company or government department.

Defined contributions fund – a superannuation fund that is in accumulation phase.

Discounted capital gain – one-third reduction on the capital gain on disposal of CGT assets that were owned for at least 12 months in an SMSF (that is, a reduced concessional tax rate of 10 percent).

DIY Super - Do-It-Yourself superannuation, also known as an SMSF.

eSAT – electronic superannuation audit tool designed by the ATO to help approved auditors of self-managed superannuation funds undertake a fund’s compliance audit.

Franked dividends – dividends paid by an Australian resident company from profits that have had Australian company tax paid on them.

Franking credits – the amount of tax paid previously by a company that are allocated to dividends paid to shareholders. The taxpayer receives the credit in their income tax assessment to avoid double taxation. Also known as imputation credits.

GDP – Gross Domestic Product.

GFC – Global Financial Crisis.

ICAA – Institute of Chartered Accountants in Australia – one of the three professionally recognised accounting bodies in Australia (along with CPA and IPA) www.charteredaccountants.com.au.

Imputation credit – see franking credit.

Investment strategy – a document setting out how you intend to invest your benefits in an SMSF. It must be in writing and must consider investment risks, the likely returns and whether you have sufficient cash on hand to discharge liabilities when they fall due.

IPA – Institute of Public Accountants – one of the three professionally recognised accounting bodies in Australia (along with ICAA and CPA) www.publicaccountants.org.au. Formerly called the NIA.

ITAA 1936 – *The Income Tax Assessment Act, 1936*.

ITAA 1997 – *The Income Tax Assessment Act, 1997*.

NAS – non-audit services provided by the approved auditor.

NIA – see IPA.

Non-Complying Superannuation fund – a superannuation fund that is not a resident of Australia or has been issued with a notice of non-compliance because it does not comply with the *SIS Act 1993*. Non-complying superannuation funds do not receive the concessional tax rate and are taxed at 45 percent.

Non-concessional contribution – a contribution made by an individual, an employer or another party into a superannuation fund that is not taxable within the fund nor claimed as a tax deduction by the contributor. Limit is six times the concessional contribution.

NSW – New South Wales, a state of Australia. Its capital city is Sydney.

NT – Northern Territory, a territory of Australia. Its capital city is Darwin.

NTAA - National Taxation and Accountants' Association www.ntaa.com.au

Pension age – the age used to determine eligibility for certain government benefits, including the age pension. The pension age is currently 65 for men and 60 for women born before 1 July 1935, gradually rising to 65 for women born after 1 January 1949.

Pension fund – a fund set up to finance retirement. Benefits normally cannot be accessed until you reach your preservation age and you retire from the workforce. In Australia, the term for 'pension fund' is 'superannuation fund' and the two terms are interchanged throughout this thesis.

Pension phase – the period of time when an individual reaches the preservation age and retires and accesses its superannuation funds that were previously in the accumulation

phase via an income stream to provide for retirement. The minority of superannuation funds are in this phase.

Preservation Age – the minimum age a member may be able access their preserved benefits. A benefit may be paid earlier if the member has met a condition of release. The preservation age varies depending on when the member was born.

Date of birth	Preservation age
Before 1 July 1960	55
1 July 1960 – 30 June 1961	56
1 July 1961 – 30 June 1962	57
1 July 1962 – 30 June 1963	58
1 July 1963 – 30 June 1964	59
After 1 July 1964	60

Preserved benefits – Superannuation fund benefits that you can access when you reach your preservation age and retire.

QLD – Queensland, a state of Australia. Its capital city is Brisbane.

Registered tax agent – A person who is authorised to give SMSFs advice in respect of managing their tax affairs and can lodge a tax return on their behalf. The fee they charge for their services is ordinarily a tax deductible expense.

SA – South Australia, a state of Australia. Its capital city is Adelaide.

SAF – small APRA fund – a small superannuation fund which has fewer than five members regulated by APRA. It must have an independent trustee.

Senior Australian – males aged over 65 and females aged over 64.5 (increasing to 65 in 2014).

SG – superannuation guarantee – compulsory super contributions paid every quarter by employers at a minimum of 9.25 percent of employees’ ordinary time earnings. Gradually increasing to 12 percent by 2019–20.

SIS Act – *Superannuation Industry (Supervision) Act 1993*.

SMSF – Self Managed Superannuation Fund, also known as DIY Super – a pension fund with fewer than five members where: all members are trustees and there are no other trustees; no member of the fund is an employee of another member of the fund, unless the members concerned are relatives; no trustee or director of the corporate trustee receives any remuneration; and if the fund has a corporate trustee, all members are directors. It is a superannuation fund that you manage yourself and is regulated by the ATO.

SPAA - SMSF Professionals’ Association of Australia www.spaa.asn.au.

Super co-contribution – if you make personal contributions to your super and are otherwise eligible, then the Federal Government will help boost your account with a super co-contribution of up to \$500 per financial year. The amount of the co-contribution will depend on your total income level (you can earn up to \$61,920 in the 2013/14 financial year) and the amount of personal contributions you make.

Superannuation fund – a fund set up to finance retirement. Benefits normally cannot be accessed until you reach your preservation age and you retire from the workforce. Around the world, the term for ‘superannuation fund’ is ‘pension fund’ and the two terms are interchanged throughout this thesis.

TAS – Tasmania, a state of Australia. Its capital city is Hobart.

TFN – tax file number – a unique number issued by the ATO to individuals and organisations to increase the efficiency in administering tax and other Commonwealth Government systems.

TFN withholding – tax withheld at the highest marginal rate (46.5 percent) on unfranked dividends and bank interest if you have not quoted your TFN. Taxpayers need to include the amounts withheld in their tax return in order to receive the credit in their assessment.

Trust – A legal obligation binding a person (the trustee) who has control over the investment assets (for instance, a share portfolio) for the benefit of beneficiaries.

Trustee – the individual or entity that has the responsibility of ensuring that the trust or superannuation fund is operated in accordance with its trust deed. Trustees must also comply with relevant legislation and regulations.

Unfranked dividends - dividends paid by an Australian resident company from profits that have not had Australian company tax paid on them.

VIC – Victoria, a state of Australia. Its capital city is Melbourne.

VIF – variance inflation factors.

WA – Western Australia, a state on the west coast of Australia. Its capital city is Perth.

CHAPTER 1

INTRODUCTION

1.1 Overview

Using proprietary Australian Tax Office (ATO) data, this thesis documents the size, asset allocation and expenses incurred in running Self-Managed Superannuation Funds (SMSFs). Further, I focus on one specific expense related to the running of SMSFs by examining audit pricing implications including auditor industry specialisation, professional affiliations and implications of auditor independence in the SMSF market. The analysis provides new insights into the fastest growing and largest segment of the Australian \$1.8 trillion pension fund industry by complementing and extending prior superannuation studies of both small and large APRA funds to SMSFs (Australian Prudential Regulation Authority 2014b).¹

1.2 Motivation

Australian pensions policy since the early 1990s, the centrepiece of which was the introduction of the compulsory employer contributions and favourable tax incentives, has facilitated a rapid increase in pension savings in Australia, making it the world's fourth biggest pension fund sector (Towers Watson 2014). Currently in excess of \$1.8 trillion, the size of the Australian superannuation industry is greater than the market capitalization of the Australian equities market, the combined deposits of all Australian Banks and the

¹ The Australian term for 'pension fund' is 'superannuation fund' and the terms are used interchangeably throughout the thesis. An SMSF fund is a pension fund with less than five members where: all members are trustees and there are no other trustees; no member of the fund is an employee of another member of the fund, unless the members concerned are relatives; no trustee or director of the corporate trustee receives any remuneration; and if the fund has a corporate trustee, all members are directors.

annual Australian Gross Domestic Product.^{2,3} Consistent with its economic importance, the Government commissioned the Super System Review (2010) into the governance, efficiency, structure and operation of Australia's superannuation industry (hereafter the Cooper Review). Recommendations from the Cooper Review highlighted the lack of basic knowledge and understanding of the SMSF segment (such as size, asset allocation and cost) and its auditors, forming the basis of the motivation for this thesis. In prior pension plan audit literature, Cullinan (1998b) observes that there is something of a research void on auditing in the retirement savings industry.⁴

This lack of understanding of SMSFs was also highlighted by a recent Parliamentary Joint Committee which investigated the largest superannuation fraud in Australian history (Parliamentary Joint Committee on Corporations and Financial Services 2012). The Committee in particular raised concerns of inadequate consumer knowledge regarding the risks and costs associated with operating an SMSF prompting the Australian Securities and Investments Commission (ASIC) to impose specific cost disclosure requirements for future advice given on establishing an SMSF (Australian Securities & Investments Commission 2013a).

² As at 31 December 2013, the total assets within Australian superannuation is \$1.803 trillion (Australian Prudential Regulation Authority 2014b), the market capitalisation of the Australian equities market is \$1.527 trillion (Australian Securities Exchange 2014), the combined deposits on the books of all Australian Banks is \$1.669 trillion (Australian Prudential Regulation Authority 2014a) and the Australian Gross Domestic Product is \$1.556 trillion (Australian Bureau of Statistics 2014). Superannuation, along with banking, gambling and mining, is considered to be the one of the four industries that dominate Australia (Denniss & Richardson 2013; Gittins 2013).

³ During the recent Global Financial Crisis (GFC), the Australian pension fund industry provided an important pool of capital for the economy (Saulwick 2008; Whiteley 2011).

⁴ *'At the current stage of development, much less is known regarding the pension audit market than for the public company audit market'*. (Cullinan 1998b, 72).

1.3 Objectives and research questions

This thesis has two objectives. First, I aim to address this research gap by documenting the first comprehensive study of the size, asset allocation and cost structure of the SMSF segment.⁵ Second, owing to the unique attributes associated with the experimental setting, I investigate audit pricing within Australian self-managed superannuation funds. I utilise a proprietary dataset provided by its regulator, the ATO, for a sample of approximately 70,000 SMSFs for each of the 2008, 2009 and 2010 financial years (for a combined total sample in excess of 209,000 SMSFs).⁶ To date, the lack of comprehensive return and cost data has crimped the scope of prior SMSF research.⁷

I contribute to addressing this scarcity of economics of auditing effort on the pension market by providing new evidence outside of the US context. Using a sample of just under 100,000 funds for the years 2008 to 2010, I consider a number of research questions to better understand the assurance of SMSFs. First, I examine whether industry specialist auditors earn audit fee premiums in the SMSF segment in Australia. The research setting is interesting given that agency costs are low since the owners of SMSFs (also referred throughout this thesis as members and trustees) are effectively the managers. This suggests that price will dominate quality considerations as reputation effects matter little in the demand for SMSF audits where the owner has incentives to seek a low-priced audit. Price-sensitive demand, large numbers of ‘small’ and homogeneous funds,

⁵ There is limited literature on pension funds in Australia in general and on self-managed superannuation funds (SMSFs) in particular. Despite SMSFs being the largest category of superannuation funds, representing one third of superannuation assets, most literature of the superannuation industry focuses on the industry, public sector and retail funds.

⁶ The sample of SMSFs was selected by the ATO on a random basis for each financial year and is not necessarily the same funds across the three fiscal years. Thus, my data is not a balanced panel.

⁷ For example, Phillips (2007, 2009, 2011a, 2011b); Phillips, Baczynski & Teale (2009a, 2009b) and Phillips, Cathcart & Teale (2007) have samples of fewer than 150 SMSFs coming from one or two demographic sources.

relatively simple client structures coupled with a sizeable number of suppliers imply that this is an ideal setting to test audit competition effects (Simunic 1980).⁸

Second, the possibility that auditors price strategically and bundle services has been alluded to not only in the prior accounting literature, but anecdotally as well. Investigating the occurrence of service bundling in a setting where auditing has little client utility apart from threat avoidance is consistent with clients viewing audits as a credence good with non-audit services (NAS) more highly valued. The proprietary data received from the regulator of SMSFs, the Australian Taxation Office (ATO), provides both audit and other services fees, enabling this distinction to be explored further using a much larger sample size than in prior studies. Accordingly, I redefine the dependent variable to consider the pricing implications of service bundling by industry specialists.

Third, I investigate the impact of the supply of NAS on auditor independence proxied for by the propensity of auditors to report breaches to the ATO. Specifically, I address a recommendation from the Cooper Review about the effects on independence when approved auditors provide both audit and NAS, a common regulatory concern across the globe over the past decade (European Commission 2002, *Sarbanes-Oxley Act 2002*, Securities and Exchange Commission 2000, 2003). Last, I extend the audit literature that predominantly observes audits conducted by CPA firms to a setting that provides an opportunity to analyse pricing and quality differences amongst auditors across

⁸ Simunic (1980) assumes competition in the market for small company audits suggesting the absence of auditor industry specialist fee premiums. However in the small client segment, there is mixed evidence in the prior audit fee literature. Ferguson & Stokes (2002) finds no evidence of industry leader premiums in the small client segment, whilst Casterella, Francis, Lewis & Walker (2004) and DeFond, Francis & Wong (2000) do. A new setting offers the opportunity to contribute insights to the literature investigating specialisation effects in the small client segment.

eight professional affiliations.⁹ Specifically, I examine whether registered company auditors and members of professional bodies, who are required to comply with auditing and ethical standards, receive a fee premium for perceived higher quality audits than those who are members of professional bodies who do not enforce such standards. This follows Dunmore & Falk (2001) who suggest that the professional certification body with which an accountant is affiliated provides a quality signal.

1.4 Summary of major findings and contributions

I observe the following research findings. First, I find that SMSFs benefit from cost effectiveness due to size. Second, I find, due to the relatively low cost structure and tax planning benefits available, that the median cost to operate an SMSF is approximately half of industry and retail funds, with lifetime cost-saving benefits as much as \$304,000 for the average 35 year old working couple.

Third, consistent with Simunic (1980)'s assertion of competition in the small client segment, I find evidence of audit fee discounting by the leading suppliers of SMSF audits, suggesting that, in the absence of agency costs, there is a low level of utility placed on the audit function by price-sensitive clients. Fourth, when the dependent variable is redefined to include NAS (that is, a service bundle), my findings indicate that most of the leading firms (defined by market share) earn significant total auditor work fee premiums. This suggests that specialists in this setting employ a service bundling pricing strategy by using audits as a conduit to supply higher-margin NAS. Fifth, in contrast to many studies of auditor independence, I find the supply of NAS promotes additional propensity to

⁹ Currently the Auditor-General (*AG*), registered company auditors (*RCA*) and members from six professional bodies can audit self-managed superannuation funds. These include members of the Institute of Chartered Accountants in Australia (*ICAA*); members of the Australian Society of Certified Practising Accountants (*CPA*); members of the Institute of Public Accountants (*IPA*); members or Fellows of the Association of Taxation and Management Accountants (*ATMA*); fellows of the National Taxation and Accountants' Association (*NTAA*); and specialist auditors of the SMSF Professionals' Association of Australia (*SPAA*).

report breaches to the ATO. This implies that the joint supply of audit and NAS promotes greater knowledge of the client and is beneficial for auditor independence, rather than being a threat. Last, I find evidence of audit fee premiums for auditors with higher quality professional affiliations who are required to comply with auditing and ethical standards.

In summary, this thesis provides several contributions to the literature. First, I document the first comprehensive descriptive analysis that allows a greater understanding of SMSFs by investment strategy. This analysis complements current studies of the investment performance, asset allocation and expenses of large Australian Prudential Regulatory Authority (APRA) regulated funds (Coleman, Esho & Wong 2003; Ellis, Tobin & Tracey 2008) and small APRA funds (Sy 2010). I extend research in this area by conducting the first large sample study of SMSFs, the largest segment of the \$1.8 trillion Australian pension fund industry. Second, I build on prior pension plan literature by tailoring a pension cost model by Bateman & Mitchell (2004) to create an operating cost matrix across the five different investment options. This may assist authorised representatives responding to meeting future cost disclosure requirements being imposed by ASIC. Third, I apply and extend the well-established audit pricing model to consider economics of auditing implications of the Australian SMSF sector, including the fee effects of industry leadership in this setting. Last, I contribute to the general audit literature with the first extensive audit study that analyses the members from the different professional accounting bodies.¹⁰

¹⁰ Whilst this study has a domestic focus, it may have broader global implications. Australia has the world's fourth biggest pension fund sector in the world with total assets representing just over 107 percent of Australia's annual GDP (Towers Watson 2014). As other economies review their respective retirement income systems in the light of the aftermath of the GFC, the Australian pension fund model may serve as an input into debate in other countries. Superannuation tax concessions is Australia's second largest category of tax expenditure accounting for more than one quarter of total expenditure with estimated \$30.2 billion of revenue forgone in 2011/12 (Department of Treasury 2012). These concessions were

1.5 Structure of the thesis

The remainder of this thesis is structured as follows. Chapter 2 provides a brief overview of the superannuation fund industry in Australia, including an introduction to SMSFs. Chapter 3 documents the size, asset allocation and cost structure of SMSFs and provides a description of the data which will be utilized throughout this thesis. Chapter 4 reviews the empirical and theoretical literature on audit pricing, outlines the research method to be applied in this study. Chapter 5 summarises the key findings in this thesis. Potential contributions and limitations of the research design are discussed along with possible avenues for future research.

introduced to encourage individuals to save for their own retirement and to ease their reliance on the Age Pension.

CHAPTER 2

BACKGROUND OF THE AUSTRALIAN SUPERANNUATION INDUSTRY

2.1 Introduction

In this chapter, I provide a brief overview of the Australian superannuation fund industry and document its growth over the last two decades in Section 2.2. The largest and fastest growing segment of the industry, self-managed superannuation funds, is introduced in Section 2.3.

2.2 Superannuation funds in Australia: a brief overview ¹¹

Superannuation in Australia has its origin around 1850 when banks, large private companies and governments started paying private pensions to senior, long-serving employees (Worthington 2008). However it was not until 1900, when New South Wales became the first Australian jurisdiction to introduce an Age Pension. Victoria and Queensland soon followed with similar pensions before a national Age Pension system replaced these schemes in 1908 (*Invalid and Old Pensions Act* 1908; Bateman 2002; Commonwealth Government 2001; Edey & Simon 1998).

For almost 80 years, the Australian retirement income system was comprised of just two elements, namely voluntary superannuation savings and the Age Pension. To encourage savings above the Age Pension, tax concessions were introduced to encourage additional superannuation contributions by employees.¹² However, this strategy was not

¹¹ For a detailed discussion on the history of superannuation in Australia see (Australian Prudential Regulation Authority 2007b; Commonwealth Government 2001; Robinson 1992).

¹² Income tax was first levied on superannuation in 1915, with employer super contributions being exempt and employee contributions taxed at marginal rates. Important changes to tax rules were made in 1983, 1988, 1992, 1996 and 2006. Super contributions and earnings are currently taxed at 15% whilst lump sum

successful and by the 1970s fewer than one-third of the workforce had a superannuation account. This resulted in a Government Inquiry into a national superannuation scheme for Australia later that decade as a way to broaden superannuation coverage (National Superannuation Committee of Inquiry 1976). It had become clear that Australia's ageing population could not sustain a retirement income system dependent on taxpayer-funded pensions.¹³

The first compulsory contributions scheme began in 1986 following the successful National Wage Case claim by the Australian Council of Trade Unions which required a 3 percent employer contribution to be paid under industrial awards into industry funds on behalf of employees. This led to a rapid increase in the participation rate in superannuation.¹⁴ However there was still a significant percentage of the workforce not covered by an Award, so the Government introduced the Superannuation Guarantee Contribution scheme in 1992 that extended the scope of coverage so that all employers were required to make contributions on behalf of their employees.¹⁵ The scheme was only the third of its kind to be mandated in the world (after Switzerland and Chile) and remains in force today (Kingston 2004). It has triggered a twelve-fold increase in the size of superannuation funds in the last 20 years, rising from an estimated \$148 billion in 1992 to \$1,747.1 billion by September 2013 (Australian Prudential Regulation Authority 2014b). Superannuation is now considered to be one of the four industries that dominate Australia (Denniss & Richardson 2013; Gittins 2013).

withdrawals and allocated pensions for members over age 60 are tax-free tax (Bateman & Kingston 2010; Keating 1988; Knox 2003; Mackenzie 2011a).

¹³ In 1972, only 32 percent of workers were covered by superannuation, with the majority being in the public sector (Australian Bureau of Statistics 1974; National Superannuation Committee of Inquiry 1976).

¹⁴ Four years after the 1986 National Wage Case, superannuation coverage had increased from 40 percent to 79 percent (Australian Prudential Regulation Authority 2007a).

¹⁵ The *Superannuation Guarantee (Administration) Act 1992* initially required employers to make 3 percent compulsory contribution into superannuation for employees over age 18 that are paid more than \$450 in any one month. The rate has increased to 9.25 percent in 2013/14 and will gradually increase over the next decade to 12% by 2019/20 (Bateman & Kingston 2010; Raftery 2013).

Regulation of superannuation in Australia is covered by the *Superannuation Industry (Supervision) Act 1993* (hereafter referred to as the “*SIS Act 1993*”) and the *Superannuation Industry (Supervision) Regulations 1994* (hereafter referred to the “*SIS Regulations 1994*”) and are administered by APRA.^{16, 17} The *SIS Act 1993* breaks superannuation funds into five functional classifications namely corporate, industry, public sector, retail and small. The first four are considered ‘large’ funds as they have more than four members and are categorised in line with historical and policy considerations. The ‘small’ fund sector includes funds with fewer than five members (*Superannuation Industry (Supervision) Act 1993*; Bateman 2003).

The last inquiry into the Australian financial system, just 16 years ago, considered the nation’s retirement industry to be inconsequential that it was only devoted four pages across the final 704 page report (Gluyas 2013, Financial System Inquiry 1997).¹⁸ However, government pension policy over the past two decades, such as the introduction of the compulsory superannuation guarantee contribution and favourable tax incentives, has facilitated a rapid increase in superannuation assets in Australia. The growth in the size of the superannuation industry by the respective classifications over the past 17 years is reported in Table 2.1 Total assets in the industry have increased by 659 percent to \$1,618.7 billion as at 30 June 2013 (Panel A), the number of funds rising almost fivefold from 105,377 in 1996 to 513,328 funds as at June 2013 (Panel B) and the number of member accounts doubling during the period to approximately 32 million (Panel C).^{19,20}

¹⁶ The *SIS Act 1993* superseded the *Occupational Superannuation Standards Act 1987* which was administered by the Insurance and Superannuation Commission. An explanation of some of the main sections of the *SIS Act 1993* and *SIS Regulations 1994* is shown in Appendix C.

¹⁷ APRA does not act as regulator for self-managed superannuation funds.

¹⁸ The next inquiry into the Australian financial system is scheduled to release its final report in November 2014 (Johnston 2013).

¹⁹ By 31 December 2013, total assets in the industry have increased by 734 percent from \$245.5 billion to \$1,803.1 billion with the number of funds rising almost fivefold from 105,377 in 1996 to 525,730 (Australian Prudential Regulation Authority 2014b).

The economic significance of the superannuation industry in Australia it has jumped from 37.9 percent as a proportion of GDP in 1996 to 107.13 percent of GDP by June 2013 (Australian Bureau of Statistics 2013a).^{21,22}

2.3 Self-managed superannuation funds

“The level and quality of information available on SMSFs and the SMSF sector is inadequate given its significance (as Australia’s largest superannuation sector by value).”

Super System Review (2010), p.217

Self-managed superannuation funds, as the name implies, are pension funds which are managed and controlled by the members themselves (that is, the members are simultaneously the trustees). They are also often referred to as Do-It-Yourself (or DIY) funds (Valentine 2004).²³ Although the maximum is four, SMSFs typically have two members (usually husband and wife).

SMSFs were officially created on 8 October 1999, when the *SIS Act 1993* was amended to change the regulatory arrangements for ‘small’ superannuation funds. Before that date, all ‘small’ superannuation funds were regulated by APRA and were known as ‘excluded’ superannuation funds. The amendments created a new category of

²⁰ Thorough superannuation data has been collected in Australia only since 1996 (Australian Prudential Regulation Authority 2007a).

²¹ Whilst superannuation assets are a stock figure and GDP is a flow figure, the comparison, first done by APRA (2007a), shows the economic significance of the industry.

²² In November 2013, APRA issued a discussion paper proposing restrictions to the reporting of quarterly information and no longer discloses the split of the superannuation statistics across for corporate, industry, public sector and retail superannuation funds but now consolidates them as one entry for superannuation funds with more than four members (Australian Prudential Regulation Authority 2013a). As at D 2013, the total assets in the Australian superannuation industry was \$1,747.1 billion across 520,327 funds (Australian Prudential Regulation Authority 2013c).

²³ An SMSF fund is a pension fund with fewer than five members where: all members are trustees and there are no other trustees; no member of the fund is an employee of another member of the fund, unless the members concerned are relatives; no trustee or director of the corporate trustee receives any remuneration; and if the fund has a corporate trustee, all members are directors.

superannuation fund, the SMSF, to be regulated by the ATO rather than APRA. The previous ‘excluded’ funds were given a one-off opportunity to become a SMSF or remain under APRA and become known as small APRA fund (SAF). Members of SAFs can have input into investment decisions, but do not have the direct investment control enjoyed by SMSFs members as trustee duties and responsibilities must be provided by an external approved trustee (Roberts 2001, 2002; Sy 2010). With the costs of running a SAF greater due to trustee remuneration expenses and higher regulatory fees, the majority of excluded funds elected to become SMSFs.²⁴

Figure 2.1 reports the sizeable growth of the various segments of the Australian superannuation industry since 1996. A notable feature of Fig 2.1 is the rapid growth of the SMSF sector over the past decade, which now comprises the largest segment of the superannuation industry (by number of funds and assets). Funds under management in the SMSF sector have risen from \$60.9 billion (330,000 members in 166,475 funds) in 1999/2000 to \$532.1 billion (995,878 members in 522,328 funds) by December 2013 (Australian Taxation Office 2014). SMSFs now account for 30.14 percent of assets in the Australian pension industry and 99.35 percent of funds, compared with 39.70 percent and 0.04 percent for not for profit (corporate plus public sector plus industry) funds and 26.13 percent and 0.03 percent for retail funds (Australian Prudential Regulation Authority 2013b).²⁵

The reasons for the growth in SMSF numbers over the past decade have not been previously discussed by academics. Table 2.2 shows the rate of return from 1997 to 2012

²⁴ Only SAF trustees are allowed to receive remuneration for providing services to the pension fund and the annual supervisory levy charged by APRA is \$590 for 2012/13 compared to the \$259 levy being charged by the ATO for SMSFs in 2013/14.

²⁵ Pensions policy over the past 25 years, such as the introduction of the compulsory superannuation contribution (currently 9.25 percent of an employee’s salary) and favourable tax incentives (such as 15 percent concessional tax rate and tax-free withdrawals upon retirement), has facilitated a rapid increase in superannuation assets in Australia.

for the large APRA funds and from 2006 to 2011 for SMSFs. Whilst there are known methodological differences in the calculation of the return on assets provided by the respective regulators, Table 2.2 hints that SMSFs and SAFs perform better.²⁶

Along with simplified operational arrangements, the main attractions of SMSFs to individuals are the regulatory arrangements which provide increased flexibility in relation to scope of investment options such as the ability to directly invest in shares and property (including business premises) and exotic assets such as artwork and collectables (Mackenzie 2011a, 2011b). SMSFs are the only type of superannuation fund that has the ability to borrow, via instalment warrants, to acquire property and shares. The potential for lower management and administration fees is also attractive to individuals. Panel A of Table 2.3 shows the operating expenses from 2004 to 2012 for the large APRA funds and indicates that public sector superannuation funds (0.23 percent of assets) are the cheapest to run whilst retail funds (0.80 percent) are the most expensive. When investment expenses are included in Panel B of Table 2.3, public sector funds (0.52 percent of assets) remain the cheapest large APRA fund but there is little difference between industry and retail funds (both 1.18 percent) as the most expensive for the period 1997 to 2012. When the total expenses of SMSFs from 2006 to 2011 are included in Panel B of Table 2.3 there appears to be significant cost saving benefits associated with operating an SMSF (0.66 percent) compared to being a member of a large APRA fund.²⁷

²⁶ Whilst the ATO attempts to follow APRA's methodology in the calculation of the return of assets, it acknowledges that there are differences due to the data items collected from SMSFs are not identical to those collected by APRA for non-SMSFs (Australian Taxation Office 2011, 2012, 2013b, 2013c).

²⁷ Operating and investment expenses for large APRA funds may be understated for the following reasons. First, where external investment managers are used, the funds receive net of fee returns and do not necessarily record fees in expenses. Second, due to inconsistency with its data collection, APRA Statistics cannot guarantee the quality of the fee/expense data. Third, there may be under-reporting of expenses due to cross subsidisation. In contrast, the SMSF calculation of expenses may be overstated as they include life insurance premiums paid by members.

Cooper Review

Over 2009-10 a review into the governance, efficiency, structure and operation of Australia's superannuation was conducted (Super System Review 2010). Among the 177 recommendations in the final report, 15 were for the SMSF sector. They included one recommendation relating to the lack of basic information and empirical evidence and two recommendations in relation to the auditing of SMSFs. With members from eight different professional bodies having the ability to audit SMSFs, the Cooper Review was concerned with the independence standards of approved SMSF auditors.²⁸ The final report also recommended that ASIC be appointed as the registration body for approved SMSF auditors, which would give ASIC the power to determine the qualifications required for eligibility;

“Government should (a) appoint ASIC as the registration body for approved auditors and give ASIC the power to determine the qualifications (including professional body memberships as appropriate) required for eligibility to be registered, set competency standards, develop and apply a penalty regime including the ability to deregister approved auditors. The registration requirements for approved auditors should be linked to minimum ongoing competency and knowledge standard; and (b) task the ATO to police the approved auditor standards and enable information to be appropriately shared between ASIC and ATO so as to carry out their roles effectively.”

Super System Review (2010), Recommendation 8.8²⁹

²⁸ Currently the Auditor-General, registered company auditors and members from seven professional bodies can audit self-managed superannuation funds. These include members of the Institute of Chartered Accountants in Australia (ICAA); members of the Australian Society of Certified Practising Accountants (CPA); members of the Institute of Public Accountants (IPA); members or Fellows of the Association of Taxation and Management Accountants (ATMA); fellows of the National Taxation and Accountants' Association (NTAA); and specialist auditors of the SMSF Professionals' Association of Australia (SPAA).

²⁹ Since 31 January 2013, ASIC has the responsibility for the monitoring and registration of approved SMSF auditors.

“Subject to the Government implementing recommendation 8.8, ASIC should develop approved auditor independence standards, which auditors must meet as part of their ongoing registration requirements, as outlined in recommendation 8.8.”

Super System Review (2010), Recommendation 8.9

“Government should provide the ATO with a specific mandate to collect and produce SMSF statistics, the details of which be developed in consultation with industry, which provide greater understanding of the SMSF sector and its performance.”

Super System Review (2010), Recommendation 8.15

Parliamentary Joint Committee inquiry

A Parliamentary report looking at the largest superannuation fraud in Australia’s history highlighted, amongst its findings, that there is a lack of basic knowledge of SMSF trustees particularly in terms of the risks and costs associated with an SMSF (Parliamentary Joint Committee on Corporations and Financial Services 2012). In response to the inquiry, ASIC are modifying various specific disclosure requirements for personal advice given for establishing and switching to an SMSF including the costs associated with their establishment and their operation (Australian Securities & Investments Commission 2013a).

“The costs associated with managing an SMSF are potentially significant and it is important that advisers explain these costs to clients before making a recommendation to establish or switch to an SMSF. This will help to ensure that clients are able to make an informed decision whether an SMSF structure is a suitable vehicle for them.”

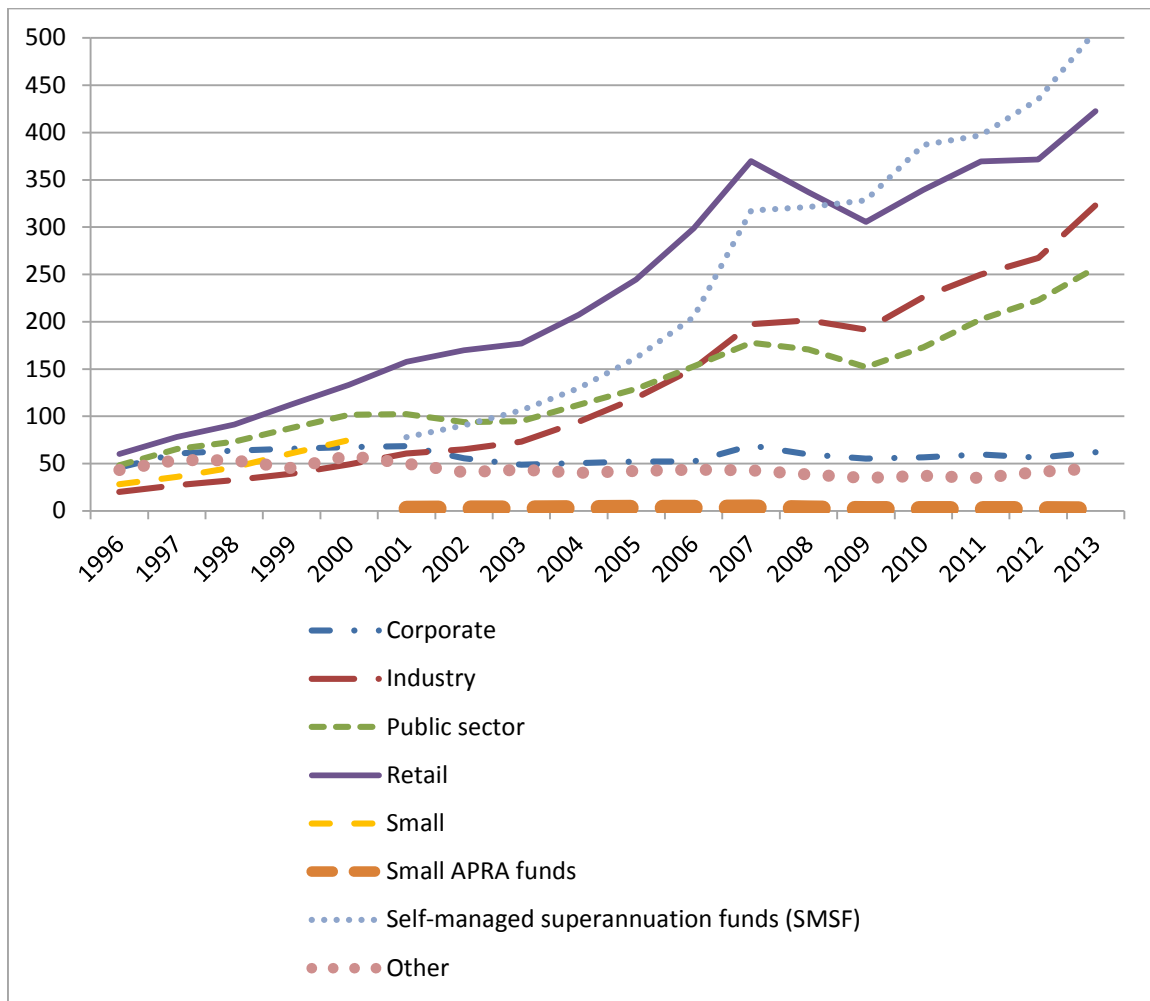
Australian Securities & Investments Commission (2013a), CP 216, p22

2.4 Summary

In this chapter I have provided a brief overview of the superannuation industry in Australia including an introduction to its largest segment, SMSFs. Since the introduction of compulsory superannuation the growth of the Australian retirement savings industry has increased twelve-fold to \$1.8 trillion, the equivalent of the country's annual GDP. The main attractions of SMSFs to individuals appear to be the regulatory arrangements which provide increased flexibility in relation to scope of investment options and potentially lower management and administration fees. Two recent Government reviews have highlighted amongst its findings, a lack of research relating to the SMSF segment in general and its auditors in particular. Throughout the remainder of this thesis, I aim to address this research void. I document the first comprehensive study of the size, asset allocation and cost structure of the largest segment of the Australian superannuation industry in Chapter 3 and investigate various audit attributes within SMSFs in Chapter 4.

2.5 Chapter 2 figures and tables

Figure 2.1: Superannuation industry in Australia 1996-2013 by total assets (\$ billion)



Source: Australian Prudential Regulation Authority (2014b)

Table 2.1: Superannuation trends in Australia - 1996-2013

Panel A: Superannuation total assets between 1996 and 2013 (in \$ billion)

Year ending 30 June	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
Corporate	45.6	60.5	63.8	65.8	67.3	68.4	55.5	48.9	50.5	52.2	52.2	69.1	59.7	55.4	56.6	59.7	56.1	61.9	
Industry	20.2	27.1	32.7	39.3	49.0	60.7	65.0	73.3	94.0	119.4	150.3	197.4	201.3	191.8	226.2	249.8	267.3	323.4	
Public sector	48.1	65.3	73.1	87.7	101.7	102.3	93.8	94.8	112.1	129.0	152.7	177.6	170.6	151.9	172.9	202.4	222.7	256.9	
Retail	60.3	78.2	91.2	112.5	133.3	157.5	169.9	177.0	207.5	244.5	298.9	369.9	337.1	305.4	339.5	369.5	371.4	422.6	
Small	28.2	36.1	46.2	60.9	74.9														
SAF							2.2	2.6	2.6	3.1	3.1	3.4	3.6	2.5	2.0	2.0	2.0	1.8	1.7
SMSF							78.0	90.4	106.4	129.6	161.9	204.9	317.4	321.3	328.3	386.9	397.2	435.4	507.3
Other	43.1	53.7	53.3	45.2	58.0	49.9	40.9	43.6	40.3	42.2	43.4	42.9	38.4	34.7	37.3	34.7	41.2	44.9	
Total assets	245.5	320.9	360.3	411.4	484.2	519.0	518.1	546.7	637.1	752.4	905.8	1,177.9	1,130.9	1,069.5	1,221.4	1,315.3	1,395.9	1,618.7	
Annual GDP	647.7	673.1	703.3	739.6	769.0	784.0	813.5	839.2	873.2	896.6	922.6	952.7	1,037.0	1,095.4	1,222.8	1,307.9	1,363.2	1,510.9	
Percentage of GDP	37.9%	47.7%	51.2%	55.6%	63.0%	66.2%	63.7%	65.2%	73.0%	83.9%	98.2%	123.6%	109.1%	97.6%	99.9%	100.6%	102.4%	107.1%	

Panel B: Number of Australian superannuation entities between 1996 and 2013

Year ending 30 June	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Corporate	4,100	4,106	3,898	3,585	3,389	3,224	2,484	1,862	1,405	962	555	287	226	190	168	143	122	108
Industry	169	176	172	157	155	150	134	124	106	90	80	72	70	67	65	61	56	52
Public Sector	93	77	76	82	81	81	76	58	42	43	45	40	40	40	39	39	39	38
Retail	385	353	328	309	293	275	254	235	232	228	192	176	169	166	154	143	135	127
Small	100,447	149,971	173,116	193,396	212,538													
SAF						8,052	8,451	8,353	7,843	7,108	6,665	6,017	5,539	4,277	3,869	3,519	3,201	2,950
SMSF						210,667	226,859	253,559	273,369	289,615	308,173	348,787	375,694	399,397	425,300	442,607	477,461	509,992
Other	183	192	200	186	164	177	179	160	143	130	123	101	90	82	79	77	67	66
Total funds	105,377	154,875	177,790	197,715	216,620	222,626	238,437	264,351	283,140	298,176	315,833	355,480	381,828	404,219	429,674	446,589	481,081	513,328

Panel C: Number of Australian superannuation member accounts between 1996 and 2013 (in thousands)

Year ending 30 June	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Corporate	1,300	1,261	1,247	1,245	1,197	1,183	890	786	774	697	605	665	661	662	624	594	551
Industry	5,200	5,584	5,807	6,288	7,017	7,622	8,049	8,353	8,946	9,270	9,948	10,629	11,266	11,551	11,516	11,449	11,664
Public Sector	3,000	2,595	2,640	2,586	2,527	2,419	2,477	2,532	2,707	2,758	2,891	2,925	3,002	3,095	3,131	3,372	3,371
Retail	6,100	7,563	8,252	9,283	10,403	11,116	12,039	12,935	13,764	14,434	14,970	15,472	16,308	16,574	16,797	15,318	15,408
Small	600	237	284	319	389												
SAF						10	10	11	11	10	10	8	7	6	5	5	4
SMSF						393	426	484	524	559	594	668	713	759	793	846	914
Total	16,200	17,240	18,230	19,721	21,533	22,743	23,891	25,101	26,726	27,728	29,018	30,367	31,957	32,647	32,866	31,584	31,912

Sources: Australian Bureau of Statistics (2011, 2012b, 2013a); Australian Prudential Regulation Authority (2007a, 2013b); Australian Taxation Office (2013a)

Table 2.2: Australian superannuation funds - rate of return (ROR) and volatility

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average ROR ^{a 30}	Volatility
Corporate ^b			8.2%	10.5%	4.4%	-3.7%	-3.4%	12.2%	12.8%	14.0%	15.3%	-9.3%	-8.2%	9.4%	8.0%	1.0%	5.09%	8.37%
Industry			7.1%	9.7%	3.3%	-4.5%	-1.8%	13.4%	13.2%	13.1%	16.0%	-6.0%	-11.7%	8.5%	9.0%	0.9%	5.01%	8.48%
Public sector			9.4%	13.4%	3.3%	-5.8%	-0.9%	13.9%	14.1%	14.9%	15.1%	-5.8%	-12.3%	9.8%	8.9%	1.7%	5.69%	9.05%
Retail			4.4%	8.0%	2.2%	-5.0%	-2.5%	10.8%	10.6%	12.4%	13.4%	-10.2%	-11.5%	8.7%	6.5%	-0.6%	3.37%	8.21%
Large funds	11.1%	7.2%	6.9%	10.2%	3.0%	-4.9%	-2.1%	12.2%	12.2%	13.3%	14.5%	-8.1%	-11.5%	8.9%	7.8%	0.5%	5.08%	8.06%
SMSFs ^{c 31}										12.6%	16.7%	-6.0%	-6.8%	7.7%	7.7%		5.32%	9.68%
SAFs ^{d 32}	15.3%	3.2%	11.3%	8.9%	7.6%	0.9%	1.9%	13.1%	17.1%								8.81%	5.90%

Sources:

^a Esho, Coleman, Thavabalan & Bullock (2004).

^b Australian Prudential Regulation Authority (2009, 2010, 2011, 2012).

^c Australian Taxation Office (2011, 2012, 2013b); Super System Review (2009).

^d Esho et al. (2004); Sy (2010).

³⁰ Volatility and ROA for SMSFs is for the period 2006-2011 and for SAFs is for the period 1997-2005.

³¹ ATO followed APRA methodology in the calculation of return on assets, but data items collected from SMSFs are not identical to those collected by APRA for non-SMSFs.

³² Asset-weighted return on assets is used for small APRA fund data.

Table 2.3: Australian superannuation funds – operating and investment expenses as a percentage of assets

Panel A – Operating expenses as a percentage of assets ³³

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average operating expense ratio
Corporate ^a								0.45%	0.33%	0.31%	0.29%	0.27%	0.30%	0.34%	0.35%	0.28%	0.32%
Industry								0.66%	0.58%	0.51%	0.51%	0.45%	0.50%	0.55%	0.53%	0.49%	0.53%
Public sector								0.10%	0.27%	0.21%	0.22%	0.22%	0.24%	0.26%	0.28%	0.28%	0.23%
Retail								0.93%	0.84%	0.84%	0.82%	0.70%	0.67%	0.82%	0.81%	0.75%	0.80%
Large funds								0.62%	0.60%	0.57%	0.57%	0.50%	0.50%	0.59%	0.58%	0.53%	0.56%

Sources:

^a Tables 8 and 12 in the APRA Annual Superannuation Bulletin (Australian Prudential Regulation Authority 2009, 2010, 2011, 2012).

³³ Operating expenses include actuary fees, administration fees, audit fees, directors/trustees fees & expenses, interest expense, management expense (non-investment), others fees paid to audit firm and other operating expenses.

Panel B – Combined operating and investment expenses as a percentage of assets

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Average expense ratio
Corporate ^{a 34}	0.72%	0.81%	0.85%	0.98%	1.01%	1.09%	1.14%						0.58%	0.59%	0.65%	0.62%	0.82%
Industry	0.92%	0.94%	1.16%	1.90%	1.49%	1.33%	1.64%						0.83%	0.93%	0.94%	0.85%	1.18%
Public sector	0.38%	0.55%	0.53%	0.49%	0.57%	0.53%	0.59%						0.49%	0.55%	0.55%	0.52%	0.52%
Retail	1.02%	1.16%	1.00%	1.67%	1.55%	1.58%	1.54%						0.76%	0.94%	0.92%	0.85%	1.18%
Large funds	1.21%	0.99%	1.19%	1.23%	1.17%	1.18%	1.27%	1.13%	1.13%	1.14%	1.27%	0.97%	0.71%	0.83%	0.83%	0.76%	1.06%
SMSFs ^{b 35}										0.86%	0.72%	0.69%	0.59%	0.56%	0.54%		0.66%
SAFs ³⁶																	1.8% ³⁷

Sources:

^a Australian Prudential Regulation Authority (2009, 2010, 2011, 2012) for the period 2000-2012; Coleman et al. (2003) for the period 1997-1999.

^b Australian Taxation Office (2011, 2012, 2013b); Super System Review (2009).

³⁴ Operating expenses for the large APRA funds include actuary fees, administration fees, audit fees, directors/trustees fees & expenses, interest expense, management expense (non-investment), others fees paid to audit firm and other operating expenses. Investment expenses for the large APRA funds include asset consultant fees, custodian fees, investment management fees, property maintenance costs and other investment expenses.

³⁵ SMSF data for the period 2006-2011 is based on total expenses (i.e. operating expenses, investment expenses and insurance premiums) reported in annual income tax return (for more detail refer to deductions 11A to 11L itemised in Appendix A). The expense ratio for SMSF data is based on average assets for the year whilst the expense ratio of large APRA funds is based on opening assets at the start of the year.

³⁶ Total expenses (i.e. operating expenses, investment expenses and insurance premiums) are used for small APRA fund data for the period 1997-2003.

³⁷ Average expense ratio for SAFs is for the period 1997-2003 (Sy 2010).

CHAPTER 3

THE SIZE, COST AND ASSET ALLOCATION OF AUSTRALIAN SELF-MANAGED SUPERANNUATION FUNDS

3.1 Introduction

“During the course of its work, the Super System Review became aware that there is a lack of comprehensive information on the self-managed superannuation fund (SMSF) sector.”

Super System Review (2009), p.1

The Cooper Review (2010) highlighted, amongst its final findings, a lack of research relating to the SMSF sector. In this chapter, I contribute to addressing this research void by documenting the first comprehensive study of the size, investment performance, asset allocation and cost structure of the Australian SMSF segment. Utilizing a proprietary dataset containing a sample of in excess of 209,000 fund observations provided by the ATO, I observe the growth of the SMSF segment over the past decade and calculate the annual median cost to operate an SMSF. I develop an operating cost matrix - across the five different investment options - to assist with authorised representatives responding to meeting future cost disclosure requirements being imposed by ASIC. Last, I evaluate the lifetime cost-saving benefits associated with using an SMSF compared to other types of superannuation funds. This analysis complements previous studies of the investment performance, asset allocation and expenses of large APRA regulated funds (Coleman, Esho & Wong 2003; Ellis, Tobin & Tracey 2008) and small APRA funds (Sy 2010). I extend research coverage to the largest segment of the \$1.8 trillion Australian pension fund industry.

The remainder of the chapter is structured as follows. Section 3.2 details prior literature. Section 3.3 outlines the sample, data and descriptive statistics. Section 3.4 reports on the size, asset allocation, the cost and the investment performance of SMSFs, whilst Section 3.5 concludes.

3.2 Prior literature

There has been little in the way of research effort devoted to analysing the Australian private pension funds industry. The extant superannuation literature primarily focuses on large superannuation funds. To date, the lack of comprehensive return and cost data has greatly restricted previous studies into SMSF performance. There have been some studies of SMSFs in the finance discipline but their samples have been fewer than 150 funds which cannot be representative of the SMSF population described below and, in any instance, are generally biased with samples obtained from one or two demographic sources (Phillips 2007, 2009, 2011a, 2011b; Phillips, Baczynski & Teale 2009a, 2009b; Phillips, Cathcart & Teale 2007). This has partly been due to the SMSFs growing rapidly in number mainly in the last decade and being unique to Australia but primarily due to the paucity of available information on SMSFs, as noted by the Cooper Review. In fact, little information was released by the ATO before a statistical summary of SMSFs for the period 2006 to 2008 was prepared to assist the Cooper Review. This has been subsequently updated for the 2009-2012 period (Australian Taxation Office 2011, 2012, 2013b, 2013c; Super System Review 2009). These were followed by a few industry association reports which surveyed SMSF trustees and advisers (CPA 2009; Russell Investments & SPAA 2011). Unfortunately, these summaries are at a high level and do not analyse investment performance nor expenses of SMSFs in any detail.

There have been a number of overseas studies conducted on the performance and costs of pension funds (Barber, Odean & Zheng 2003; Holbrook 1977) but the retirement income system in Australia is unique, particularly with SMSFs, mandated superannuation and its size. Studies on large Australian superannuation funds have focussed primarily on the net returns between any two superannuation funds with possible explanations grouped into four categories: investment performance, asset allocation, expenses and taxes. There have been a few descriptive papers discussing the investment performance, asset allocation and expenses for large APRA superannuation funds (Coleman, Esho & Wong 2003; Ellis, Tobin & Tracey 2008) as well as for small APRA funds (Esho et al. 2004; Sy 2010). I note that this prior pension fund research was conducted in the period from 1997 to 2005 when the SMSF market (as previously observed in Figure 2.1) was still in its infancy in Australia.

3.2.1 Asset allocation

Asset allocation is a major determinant of the level and variance in investment performance (Brinson, Hood & Beebower 1986; Brinson, Singer & Beebower 1991; Ibbotson & Kaplan 2000). Other factors attributed to the variation in investment performance include global financial market meltdowns and fund governance (Benson, Hutchinson & Sriram 2011; Valentine 2003). In an Australian pension fund example, an analysis of the asset allocation of 146 large Australian pension funds between 2004 and 2010 finds that not-for-profit funds with more illiquid investments experience higher risk-adjusted returns than retail funds (Cummings & Ellis 2011). Other studies of large Australian superannuation funds have found that managers have failed to achieve benchmark returns for fund members through active asset selection (Drew & Stanford 2003a; Drew & Stanford 2001; Drew, Stanford & Taranenko 2001). This supports

Fama's (1970) Efficient Market Hypothesis which suggested that any superior risk-adjusted returns earned by fund managers are the result of luck, rather than the skilled application of active asset selection.

There are some fundamental differences between the asset allocations of SMSFs compared to other types of superannuation funds. SMSFs have a high proportion in cash, property, shares and trusts (Valentine 2011) and trustees may have incentives in terms of ways to invest due to regulatory concessions available to this type of fund (Mackenzie 2011a). Above average cash levels and low diversification were found in a prior Australian study of 130 SMSFs from a South East Queensland accounting firm (Phillips, Cathcart & Teale 2007), whilst an industry report documented that 62 percent of SMSF trustees changed their asset allocations to become more conservative post-GFC (Russell Investments & SPAA 2011). Lack of available data has restricted more comprehensive pension fund studies of the asset allocations. However, proprietary data allows us to document investments in 19 different asset classes within SMSFs, providing the opportunity for greater analysis of investment strategies employed by trustees.³⁸

3.2.2 Costs

Price has been well regarded in marketing literature as an important determinant in consumer decision-making (Tan 2002) although some studies in the economics literature suggests that price may signal quality (Leavitt 1954; Scitovszky 1945). In the superannuation market, members of large superannuation funds are usually charged

³⁸ For example, Coleman et al. (2006, p 321) acknowledge that data limitations restricted them for controlling for asset allocation in their study of large APRA funds. Phillips, Cathcart & Teale (2007) document investments in ten different asset classes whilst Cummings & Ellis (2011) split across six categories. Valentine (2011) and Sy (2010) each provide a breakdown of the portfolio composition in their respective studies across seven asset classes. With its 19 asset classes, the SMSF dataset allows for greater analysis of investment strategies including allocations between Australian/overseas and direct/indirect investments as well as information on how much trustees invest in unique SMSF asset classes such as artwork, collectables and instalment warrants.

administration fees based on a percentage of assets under management. By contrast, the preparation of an annual income tax return and financial statements, as well as the audit of the fund, represents a large portion of the administration expenses for running an SMSF.³⁹ The *SIS Act 1993* requires that the sole purpose of an SMSF is to ensure that it is maintained for providing benefits to its members upon their retirement. Members of SMSF must also act as trustees of their fund and be responsible for its operation. They have a vested interest to maximise the returns of their SMSF investments as the higher the return, the greater the funds for retirement. Greater returns may allow members the opportunity (or luxury) to be able to retire earlier in life. With income and costs having a direct impact on the size of returns (and ultimately retirement balances), members can elect either to take higher risks in order to generate higher returns (the risk/return model) or focus on reducing costs, as well as a combination of the two.

The impact of agency costs (Jensen & Meckling 1976) on the investment performance of 225 large superannuation funds was reviewed by Coleman, Esho & Wong (2006) who find that not-for-profit funds significantly outperformed for-profit funds from 1996 to 2002. Other relevant industry studies include Drew & Stanford (2003c) who find no evidence that a positive relationship existed between management fees and investment manager returns. Bateman & Thorp (2007) found that the risk-adjusted returns of 198 large funds in 2004 increased when the number of investment managers was greater than 13 but no difference below this level. Using a sample of 120 Australian pension funds, Klumpes & McCrae (1999) found evidence that agency costs are greater in funds managed by financial intermediaries than in defined benefit plans provided by employers.

³⁹ Under section 17A of the *SIS Act 1993*, one of the conditions to meet the definition of an SMSF is that trustees are restricted from receiving any remuneration for their services as trustee.

In SMSFs, the traditional agency relationship does not exist as the managers of SMSFs are also the owners. If anything, it could be argued that the agency relationship in SMSFs is really between the self-managers and the regulator (ATO). The ATO requires that the SMSF pay for compliance and monitors both the auditor and the fund itself. The regulator can impose sanctions on approved auditors with entry onto the ATO's approved auditor disqualification register acting as a significant deterrent for any extreme cases of non-compliance (such as fraudulent activities).⁴⁰ The annual audit, in this instance, acts as confirmation that the fund has complied with the *SIS Act 1993*, ensuring complying superannuation fund status and that favourable tax concessions remain.⁴¹

The recent statistical summaries of SMSFs prepared by the ATO, suggest that a reduction in fees appear to be the main reason for a positive relationship between average return on assets and the size of SMSFs and asset ranges (Australian Taxation Office 2011, 2012, 2013b, 2013c; Super System Review 2009). As the average fund balance for an SMSF is substantially higher than the balance for a member of a large superannuation fund, lower fees may be a driver for people establishing SMSFs. Pension funds may benefit from economies of scale due to greater volumes of assets under management and the ability to be able to negotiate lower fees with external investment managers, as their

⁴⁰ From 31 January 2013, ASIC has responsibility for approved SMSF auditors, including the maintenance of the register for disqualified persons on their website www.asic.gov.au.

⁴¹ The annual audit requirements of an SMSF include the audit of the fund's special purpose financial statement ('financial audit') as well as an audit of the SMSF's compliance with the *SIS Act 1993 and SIS Regulations 1994* ('compliance engagement'). Each year, the auditor is required to provide an auditor's report on the fund's operations for the year, a report to the trustee/s if there are any contraventions of the *SIS Act 1993* or *SIS Regulations 1994* or if the financial position may be (or about to become) unsatisfactory. A sample independent audit report is shown in Appendix B. The auditor must also report in writing to the ATO via an 'Auditor Contravention Report' if he/she forms an opinion that a contravention has (or may) occurred or if the financial position may be (or about to become) unsatisfactory. Superannuation funds which comply with the *SIS Act 1993* qualify for the concessional tax rate of 15 percent. Non-complying super funds do not receive the concessional tax rate and are taxed at 45 percent. *SIS Regulations 1994* include a requirement for SMSF trustees satisfy the 'sole purpose test' which ensures that the fund is being maintained for the purpose of providing benefits to its members upon retirement. *GS 009 Auditing Self-Managed Superannuation Funds* provides guidance to SMSF auditors (Auditing and Assurance Standards Board 2011). An explanation of some of the main sections of the *SIS Act 1993* and *SIS Regulations 1994* is shown in Appendix C.

bargaining power will increase as the size of the investment mandates they have to offer increases (Bateman & Mitchell 2004; Coleman, Esho & Wong 2006; Cummings 2012). In a recent report commissioned by ASIC, Rice Warner Actuaries find that the cost-effectiveness of an SMSF depends largely on the amount of work the trustee does themselves in administering the fund and as such there may be a range of fund balances at which an SMSF will be cost-effective compared with an APRA-regulated fund (Rice Warner Actuaries Pty Ltd 2013). This is consistent with Table 2.3 which suggests that SMSFs may be cheaper to operate than other types of superannuation funds.

In summary, there has been little in the way of research effort devoted to providing descriptive evidence of the Australian private pension funds industry. To date, the lack of comprehensive return and cost data have hindered understanding of the size, asset allocation and costs of operating SMSFs. Given the economic significance and the regulatory concerns, I aim to contribute the first large sample evidence on SMSFs.

3.3 Research design, sample selection and data sources

3.3.1 Research design

I evaluate the overall size, asset allocation and expenses of a large sample of Australian SMSFs over the three fiscal years to June 2010. To analyse the size of the SMSF, I initially rank the funds in deciles according to total assets recorded in the annual return. This split of the sample by size deciles will assist analysis of the cost, asset allocation and investment performance. The analysis will be reported by year as well as an overall pooled sample.

Proprietary data facilitates analysis of asset allocations for each size decile across 19 asset classes and for net realised returns after tax and expenses by breaking the income

statement on a line by line basis across a number of income and expense categories.⁴² Investments are categorised on the basis of those that are listed and unlisted as well those that are overseas based. For the property class, the split is between residential and non-residential. In further examination of the variation in asset allocation, consistent with Ellis et al. (2008), I analyse the sample based on the proportion invested in growth assets. With uncertainty in the literature relating to the definition of asset allocation categories (such as cash, conservative, balanced, growth and high growth), I partition the sample by investment in growth assets' deciles. I define growth assets as listed and unlisted shares/trusts, managed investments, derivatives, instalment warrants and residential and non-residential property.⁴³

3.3.2 Sample

I utilise a proprietary dataset provided by the Australian Taxation Office (ATO) for a random sample of SMSFs in the accumulation phase in each of the three fiscal years to 30 June 2010. The characteristics of the sample of SMSFs are reported in Panel A of Table 3.1. In total the data includes a random sample of 73,000 SMSFs in accumulation phase in each of the three fiscal years to 30 June 2010, or 219,002 different funds in

⁴² Asset class categories include listed trusts, unlisted trusts, insurance policy, other managed investments, cash & term deposits, debt securities, loans, listed shares, unlisted shares, derivatives & instalment warrants, non-residential real property, residential real property, artwork, collectibles, metal or jewels, other assets, overseas shares, overseas non-residential real property, overseas residential real property, overseas managed investments and other overseas assets. Income categories are capital gains, rent, interest received, foreign income, dividends received, contributions received and other income. Expense categories include interest paid, depreciation, insurance premiums paid, audit fees, investment expenses, management & administration expenses and other expenses.

⁴³ I note that the three year timeframe of my sample (2008-2010) was volatile due to the GFC. Listed property trusts fell 40.33% and 46.90% in 2008 and 2009 respectively before rising 12.62% in 2010. Australian shares recorded falls in 2008 (15.49%) and 2009 (25.97%) before bouncing back in 2010 (9.55%). The cash rate was at its highest at the start of the period (7.36% in 2008) but fell over the following two years (5.48% and 3.89%) as monetary policy was employed to help kick-start the economy.

total.⁴⁴ The sample was modified as follows: 5,939 funds were discarded due to incomplete financial information provided in their annual returns, 1,472 funds were excluded as they had extreme absolute returns on assets greater than 100 percent and a further 2,171 funds were excluded as they had total expenses greater than \$50,000 which are likely to be classification errors for trading losses or tax-effective investments. The remaining 209,420 SMSF-year observations are used in the study. For each SMSF in the sample, data is provided on various income, expense and asset classes.⁴⁵

Sample descriptive statistics are reported in Panel B of Table 3.1. Of the 209,420 SMSFs in my sample, 65,990 (31.51 percent) are domiciled in New South Wales and 62,804 funds (29.99 percent) are based in Victoria. Queensland is the next largest market with 34,486 funds (16.47 percent) whilst Western Australia has 24,543 (11.72 percent). The geographic breakdown of my sample is consistent with Australia's demographic statistics compiled by the Australian Bureau of Statistics (ABS) as at September 2012.

3.3.3 Data used for experimental design

In order to conduct this descriptive analysis of SMSFs the following tax return data (based on 2010 Form F) for each financial year is used:⁴⁶

- Income data – labels 10G; 10Z; 10A; 10B; 10C; 10X; 10D1; 10D; 10E; 10F; 10H; 10I; 10J; 10K; 10L; 10M; 10R1; 10R2; 10R3; 10R6; 10R; 10S; 10T; 10U1; 10U2;

⁴⁴ The sample of 73,000 SMSFs was selected by the ATO on a random basis for each financial year and is not necessarily the same funds across the three fiscal years. Thus, my data is not a balanced panel. SMSFs that are in pension phase were not provided by the ATO as they are not entitled to a deduction for expenses incurred in deriving exempt income and do not disclose accurate information for comparison purposes. Due to privacy constraints with my dataset, I am unable to ascertain neither the age of the SMSF nor its members. In addition there are no fund identifiers provided, implying my data is anonymised.

⁴⁵ Variables are winsorised at 1 per cent and 99 per cent levels.

⁴⁶ Refer to the Appendix A for a detailed breakdown of the 2010 Form F SMSF tax return data fields.

10U3; 10U; 10V; 11K; 11A; 11B; 11D; 11E; 11P; 11F; 11G; 11H; 11I; 11J; 11U;
11L; 11M; 11N; 11O;

- Financial info – labels 14A; 14B; 14C; 14D; 14E; 14F; 14G; 14H; 14I; 14J; 14K; 14L; 14M; 14O; 14P; 14Q; 14R; 14S; 14T; 14U; 15V; 15W; 15X; 15Y; 15Z;
- Number of members in SMSF.⁴⁷

3.3.4 Descriptive statistics

The descriptive statistics (mean, median and standard deviation) for the various balance sheet items are presented in Table 3.2. Panels A, B and C document annual descriptive statistics for SMSFs for 2008, 2009 and 2010 respectively whilst Panel D presents them for all years. In summary, there appears to be little difference in the descriptive statistics across the individual years, with such an interpretation supported by parametric and non-parametric tests of differences between the years.⁴⁸ As such, for discussion purposes I focus on pooled sample descriptives (mean, median) reported in Panel D.

Sample mean (median) total assets are \$551,028 (\$305,677) respectively.⁴⁹ Consistent with Valentine (2011), SMSFs have a high weighting in cash, property, shares and trusts. Cash and term deposits held in SMSFs have a mean (median) of \$155,658 (\$51,002). The average/median fund has over \$159,000 (\$29,036) in shares, \$85,195 (\$0) in trusts and more than \$85,000 (\$0) in property investments. Few funds appear to hold

⁴⁷ Due to privacy constraints, I am unable to ascertain the age of neither the SMSF members nor the fund itself.

⁴⁸ *T*-Tests of differences in means on raw descriptive statistics reported in Table 3.2 indicate no significant differences in means between years. Such an interpretation is not sensitive to assumptions of equality of variances (Levenes Test). Non parametric tests are also conducted with no difference reported in a Wilcoxon Test and a Kolmogorov-Smirnov Test at the $p=.05$ level.

⁴⁹ The breakdown of the mean (median) total assets for each state/territory is shown in Appendix B.1 to B.8 and is as follows; Australian Capital Territory \$534,949 (\$311,469), New South Wales \$554,642 (\$295,488), Northern Territory \$506,899 (\$294,646), Queensland \$546,380 (\$308,398), South Australia \$560,645 (\$337,066), Tasmania \$508,889 (\$316,904), Victoria \$546,864 (\$305,975) and Western Australia \$560,447 (\$307,444).

foreign investments (mean \$5,435) indicating that investment strategies by SMSF trustees are different to those employed by professional fund managers. Although the maximum is 4, SMSFs typically have 1.91 (2) members. SMSFs only have \$1,304 (\$0) of artwork and have borrowed \$3,038 (\$0) on average. Likewise, SMSFs have a mean (median) of \$561 (\$0) in reserve accounts separate from members' funds. SMSFs derive an average taxable income of \$56,160 (\$25,980) with expenses representing 8.71 percent of the pension funds' assessable income. In untabulated figures, 23 percent of the sample reported a capital gain whilst 16 percent generated rental income. More than 88 percent received interest income and 58 percent were in receipt of dividends. Interestingly, only three-quarters (74 percent) of the SMSFs recorded receiving contributions despite all being in the accumulation phase.

3.4 Results

3.4.1 Size

Whilst there is no mandate on the size (by assets) of an SMSF, anecdotal evidence suggests that a minimum balance of \$150,000 is required to cover the running costs and provide an income for retirement (Australian Securities & Investments Commission 2013b). Figures 3.1 and 3.2 analyse the size of the sample of 209,420 SMSFs, by breaking the sample down into deciles by asset size by mean (median). The SMSFs in the bottom 3 deciles of my sample have average (median) total assets of \$27,716 (\$28,618), \$80,364 (\$80,799) and \$131,980 (\$131,942) respectively. At the other end of the scale, the top 10 percent of SMSFs, a total of 20,942 funds have average total assets of \$2,332,337 (\$1,862,816).

3.4.2 Asset allocation

The average asset allocation for all SMSFs across the three fiscal years to June 2010 is shown in Figure 3.3 with 30.37 percent of total assets held in listed and unlisted shares; 28.25 percent in cash; 16.56 percent in all types of property and 15.17 percent in listed and unlisted trusts. However when the sample is partitioned by size deciles as reported in Table 3.3, I find the average asset allocation varies depending on the size of fund. For all SMSF-year observations reported in Panel D of Table 3.3, SMSFs in the smallest fund decile hold more than half (50.63 percent) of total assets in cash but only 1.47 percent in property and 5.41 percent in trusts. As the asset size of the SMSFs increase, the proportion of assets in cash gradually reduces (down to 25.53 percent in the largest asset size decile) whilst steady increases in trusts (17.42 percent) and property (15.89 percent) are observed. Little variation in the proportion of assets held in Australian shares across deciles is identified, with 27.89 percent and 30.60 percent of total assets held in shares in the smallest and largest deciles respectively.

To examine the variation in asset allocation, consistent with Ellis et al. (2008), I analyse the sample based on the proportion invested in growth assets and split the sample by growth deciles. I define growth assets as listed and unlisted shares/trusts, managed investments, derivatives, instalment warrants and residential and non-residential property. Figure 3.4 shows that the investment strategies employed by SMSF trustees in the sample appear to be bimodal with 21.15 percent, or 44,301 of SMSFs, having less than 10 percent of funds in growth assets whilst over two-fifths of the sample (40.94 percent or 85,727 SMSFs) have more than 80 percent of total funds in growth assets.

The analysis of the asset allocation of the sample ranked by investments in growth assets deciles is shown in Table 3.4. Despite the guidance in the *SIS Act 1993*, my thesis makes no statements regarding the adequacy of diversification of SMSF investment

portfolios.⁵⁰ This is due to the fact that I am not able to identify shareholdings with precision and hence am unable to make statements regarding diversification in my thesis. For the pooled sample reported in Panel D of Table 3.4, one-fifth of the sample (0-10 percent growth decile) holds 83.18 percent in cash but only 0.94 percent in shares and less than 0.1 percent each in the property, listed and unlisted trusts asset classes. By contrast, the top growth (90-100 percent) decile consisting of 52,933 funds have just 3.13 percent in cash but an even spread of shares (42.00 percent), trusts (23.32 percent) and property (23.18 percent). Figures 3.5 and 3.6 shows the average total assets mean (median) of SMSFs ranked by investment in growth asset deciles. The examination of the sizes across growth deciles in these figures show that SMSFs are reasonably stable and range between \$571,000 and \$661,000 in total assets. SMSFs in the 0-10 percent growth decile are the exception as they average only \$279,012 in total assets.

3.4.3 Income, taxes and costs

Investment performance

An analysis of the income, expenses and tax is shown in Table 3.5. I calculate returns as the ratio to total assets at the end of the year adjusted for the average of contributions received. Excluding contributions received by the pension fund, the overall average gross return for SMSFs is 3.33 percent per annum across the three fiscal years although this return excludes any allowance for unrealised returns due to data

⁵⁰ Under section 52(2)(f)(ii) of the *SIS Act 1993*, SMSF trustees must formulate and give effect to an investment strategy to maximise the composition of the SMSFs investments as a whole including the extent to which the investments are diverse or involve the entity in being exposed to risks from inadequate diversification. I can make no statement on the adequacy of the diversification of share investments, the largest investment class for SMSFs. I acknowledge that superannuation investments form only a part of the total asset base of an individual and that other investments outside of superannuation may provide further diversification in terms of asset classes.

limitations.⁵¹ On a year by year analysis, SMSFs show gross realised returns of 3.83 percent, 3.49 percent and 2.66 percent for the years ended 30 June 2008 to 2010 respectively.

Taxes

Consistent with the assertions made in Mackenzie (2011b), tax planning appears to play an important part for the investment strategy employed by SMSF trustees with investments in shares paying fully franked dividends central to their decision-making. Reported taxes in Panel D of Table 3.5 are 0.22 percent of assets (or \$1,155) for the pooled sample. This represents just 6.10 percent of the net income which is substantially lower than the 15 percent concessional tax rate applicable to SMSFs. The reason for the lower tax rate is that SMSFs get a 30 percent tax credit for fully franked dividends received which can be offset against the dividend itself as well as other income generated by the fund.

Costs

The mean (median) annual expense reported in Panel D of Table 3.5 for the pooled sample is \$5,360 (\$2,788) or 1.00 percent (0.52 percent) of total assets. 18.50 percent of SMSFs pay life insurance premiums and take advantage of the tax deductibility only available within superannuation funds.⁵² When I exclude life insurance premiums, the average (median) annual expense over the three fiscal years to 2010 reduces to \$4,645

⁵¹ As SMSFs generally report assets at historical cost, valuation and accounting practices might lead to incorrect calculations of ROA. However, anecdotal evidence suggests that market value reporting is becoming more common for SMSFs, particularly for those funds invested substantially in listed shares, managed funds and cash assets. There may be differences between the deductible amounts included in the SMSF annual return and the actual expenditure on fund costs. For example, such costs could include life insurance and related cover, where only a portion of the premium is deductible depending on the type of insurance cover.

⁵² Tax deductions for life insurance premiums are not available to individuals or organisations when paid outside of superannuation.

(\$2,382) or 0.87 percent (0.45 percent) of total assets. I note that this annual median expense is lower than the expense ratios for all other types of superannuation funds previously shown in Table 2.3, with it being approximately half of industry and retail funds. Management and administration expenses (0.40 percent) is the highest cost category for SMSFs with investment expenses (0.22 percent) ranked just behind. Despite only half of my sample separately disclosing them in the data, audit fees only represent 0.06 percent of assets (mean \$709), suggesting the cost of compliance is low for SMSFs. When I examine the expenses by size deciles, consistent with Coleman et al. (2006), I find that SMSFs with higher balances appear to benefit from economies of scale. The smallest fund decile has mean (median) expenses of 6.43 percent (2.92 percent) of assets (\$1,569 including insurance of \$320) whilst the largest fund decile has expenses of only 0.53 percent (0.36 percent) of assets (\$12,216).

3.4.4 Multivariate tests

SMSF costs

To examine the costs of SMSFs, I apply a pension plan expenses model bearing some similarities to that utilized by Bateman & Mitchell (2004) including size, risk and complexity controls.⁵³ In my thesis the application of proprietary data enables me to augment the expenses model with a number of SMSF specific explanatory variables. To control for size I include the natural log of total assets (*LASSETS*) together with additional measures for the number of members in the fund (*PARTICIPANTS*) and the natural log of total concessional contributions received during the year (*LCONT*). I expect the coefficients for these variables to be positive. With SMSFs being the only type of

⁵³ I note similarities of the pension plan expenses model specified in Bateman & Mitchell (2004) to the audit fee model first specified by Simunic (1980).

superannuation fund that has the ability to invest in assets such as artwork and collectables (*ARTWORK*), I include a dummy variable to control for this unique asset class. I expect a positive coefficient on *ARTWORK*, as the valuation is more subjective and there may be additional audit and accounting work to ensure that the investment satisfies the sole-purpose test of providing benefits for retirement.

I control for funds with reserve accounts (*RESERVEACCTS*) as reserving may be a strategy employed by trustees to ensure that a fund member does not pass the concessional-tax contribution limit. I expect a positive coefficient for this variable given the strategy may be higher risk and require external consulting assistance. Further, I include a dummy variable for whether a fund holds any investments acquired via related parties, known as in-house assets, (*INHOUSE*) as the relevant in-house asset rules applicable to SMSFs are onerous and likely to require extra compliance work.⁵⁴

Another control is the natural log of the cash balance of the fund (*LCASH*). The expectation is that funds with larger cash balances will have lower risk in conjunction with lower maintenance costs. Accordingly, I expect a negative coefficient on *LCASH*. I include controls for the natural log of property (*LPROPERTY*) and shares (*LSHARES*) and expect positive coefficients, as complexity increases with these growth assets. With most funds likely to employ a ‘set and forget’ investment strategy, I control for funds that dispose of assets during the year (*DISPOSAL*) as this represents extra audit, tax and accounting work and hence I expect a positive coefficient. With most superannuation funds having relatively low levels of borrowings, I have tailored the expenses model to

⁵⁴ The level of in-house assets from related parties that an SMSF can hold is limited to five percent of a fund’s overall asset value. Where an SMSF exceeds the five percent limit at the end of an income year, the *SIS Act* (1993) requires the trustee to prepare a written plan to dispose of one or more in-house assets at least equal to the value by which the five percent limit was exceeded. The Cooper Review (2010) highlighted that whilst only 2.4 percent of SMSFs held related party investments, breaches of the in-house asset rules represented 16.3 percent of all contraventions reported.

include a further dummy variable for those funds that have borrowed funds (*BORROWING*).

Model for Empirical Analysis

I estimate the total expenses (excluding insurance) for SMSFs using the following OLS regression model;

$$\begin{aligned}
 LTE = & b_0 + b_1 LASSETS + b_2 PARTICIPANTS + b_3 LCASH + b_4 LPROPERTY \\
 & + b_5 LSHARES + b_6 FOREIGN + b_7 LCONT + b_8 ARTWORK \\
 & + b_9 BORROWING + b_{10} RESERVEACCTS + b_{11} INHOUSE \\
 & + b_{12} DISPOSAL + b_{13} LOSSES
 \end{aligned}
 \tag{3.1}$$

where:

LTE = natural log of total expenses excluding insurance,
LASSETS = natural log of total assets held at the end of the year,
PARTICIPANTS = number of members within the superannuation fund,
LCASH = natural log of cash,⁵⁵
LPROPERTY = natural log of property investments,
LSHARES = natural log of share investments,
FOREIGN = proportion of assets that represent foreign investments,
LCONT = natural log of total concessional contributions received,
ARTWORK = indicator variable, 1 = investment in artwork, collectables or jewels,
BORROWING = indicator variable, 1 = borrowings,
RESERVEACCTS = indicator variable, 1 = reserve accounts,
INHOUSE = indicator variable, 1 = in-house assets acquired from a related party,
DISPOSAL = indicator variable, 1 = disposal of an asset resulting in a CGT event,
LOSSES = indicator variable, 1 = loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made.

The error term, *e*, is assumed to have normal OLS regression properties.

I begin by estimating the running costs for individual SMSFs across the sample of 209,420 SMSFs as per Equation 3.1. Panels A, B and C of Table 3.6 report the results of this test for 2008, 2009 and 2010 respectively, whilst Panel D presents them for all

⁵⁵ Any control variable where logarithmic transformations are undertaken has '0' values re-coded to the natural log of one (i.e., zero) to enable a logarithmic transformation.

SMSF-year observations (i.e., in pooled cross section). The pooled model reported in Panel D is significant with an F -statistic of 7199.101, significant at $p < .001$, with an adjusted R^2 of .309. The explanatory power of this model is lower than Bateman & Mitchell (2004), but unsurprising given the smaller size of funds and expenses in this study. Control variables for size (*LASSETS*, *PARTICIPANTS* and *LCONT*) and complexity (*LSHARES*, *LPROPERTY*, *FOREIGN*, *ARTWORK*, *DISPOSALS* and *INHOUSE*) report broadly positive and significant coefficients at $p < .001$ consistent with Bateman & Mitchell (2004). The significant coefficients are broadly consistent with directional expectations. With rare exception, each of these coefficients is significant in both the yearly and pooled cross-sectional analysis reported in Panel D. I note that the coefficient on the cash balance of the firm (*LCASH*) is positive and significant at $p < .001$, in contrast to my expectations. The coefficients of *LASSETS* (.267) and *PARTICIPANTS* (.028) in this cost model implies that having more assets and participants will add to SMSF administrative expenses but at less than one-for-one rate indicating that scale economies exist for SMSFs.⁵⁶

I run a reduced form specification in (3.1) controlling only for size (*LASSETS*), number of members (*PARTICIPANTS*) and asset allocation (*LCASH*, *LPROPERTY* and *LSHARES*). I report the results of the reduced regression model for all expenses excluding insurance premiums in Table 3.7. The model for all SMSF-year observations reported in Panel D of Table 3.7 is significant with an F statistic of 11,732.760 at $p < .001$, with an adjusted R^2 of .219. All variables are positive and significant at $p < .001$ except for *LCASH* which is now negative and in line with directional expectations.⁵⁷

⁵⁶ All reported statistical tests are reported on a two-tailed basis. Variance Inflation Factors are lower than 1.5.

⁵⁷ I find similar results to those reported in Table 3.7 when I include insurance premiums in total expenses in sensitivity testing as reported in Appendix L.

3.5 Further analysis

3.5.1 SMSF cost matrix

Due to the richness of the data I was able to run a number of extensions to the models. In the first additional test, I utilise the coefficients reported in Table 3.7 and develop an SMSF Costs Matrix to estimate the annual running costs for an SMSF based on its asset allocation as well as its size and the number of members within the fund. I report the SMSF Costs Matrix at \$25,000 increments for funds with balances between \$25,000 and \$2 million in Table 3.8 under five different investment options – cash, conservative, balanced, growth and high growth.⁵⁸ I observe that SMSFs are more expensive to run as the level of cash diminishes and the level of growth assets increases with a \$500,000 two member fund costing \$1,109 per annum (0.22 percent of assets) under the Cash option (see Panel A of Table 3.8) rising to \$7,259 (1.45 percent of assets) for SMSFs with a High Growth investment strategy (see Panel E of Table 3.8).⁵⁹ As this SMSF Costs Matrix is derived from more than 209,000 SMSF observations between 2008 and 2010, it may be a useful tool for authorised representatives when disclosing SMSF running costs to clients in response to ASIC’s Consultation Paper 216. In Figures 3.7a through to 3.7d, intuitively, I observe that the annual costs of an SMSF increases under all investment options as the fund grows in size and with the addition of an extra member.

⁵⁸ The asset allocation for the five investment options in my analysis at Table 8 are as follows; Cash (100 percent cash), Conservative (70 percent cash, 15 percent property and 15 percent shares), Balanced (30 percent cash, 35 percent property and 35 percent shares), Growth (15 percent cash, 40 percent property and 45 percent shares), High Growth (50 percent property and 50 percent shares).

⁵⁹ Assuming the average expense ratio of 1.18% for industry and retail funds calculated from Table 2.3, SMSFs are cost-effective for all balances when implementing a 100 percent cash investment strategy but are only cost-effective from \$225,000 for sole members with a conservative profile increasing to \$325,000 for Balanced, \$375,000 for Growth and \$775,000 for High Growth. For two member funds, the levels where an SMSF becomes more cost-effective than an industry fund are as follows; \$275,000 (Conservative), \$400,000 (Balanced), \$450,000 (Growth) and \$1,025,000 (High Growth). For three member funds, the levels are as follows; 350,000 (Conservative), \$525,000 (Balanced), \$575,000 (Growth) and \$1.275M (High Growth). For four member funds, the levels are as follows; \$425,000 (Conservative), \$650,000 (Balanced), \$725,000 (Growth) and \$1.65M (High Growth).

3.5.2 Superannuation fund balance comparison

I compare the impact that SMSF running costs has on the final retirement balance against two other types of pension funds – industry and retail - for a 35 year old working couple with \$100,000 each in superannuation.⁶⁰ I report the results of the comparison across the five different investment options in Figures 3.8a through to 3.8e. I observe that the retirement balance through an SMSF structure in this comparison could be between \$13,663 under a high growth strategy and \$142,474 under a growth investment option and up to \$304,001 higher than industry or retail funds if solely invested in cash.⁶¹ Whilst SMSFs may enjoy economies of scale, as Figures 3.6a to 3.6e exhibit, the results of any comparison may vary dependent on the time to retirement as well as the initial balance, suggesting that a minimum balance should be considered depending on the investment strategy undertaken.

3.6 Sensitivity testing

3.6.1 Extreme observations

I add back the 3,643 funds that were originally excluded from my sample that had extreme absolute returns on assets greater than 100 percent (1,472 funds) or total expenses greater than \$50,000 (2,171 funds) to give a revised sample of 213,063 SMSFs.

⁶⁰ Assumptions used in this comparison include both partners are working and earn the Average Weekly Ordinary Times Earnings of \$1,420.90 as at May 2013 (Australian Bureau of Statistics 2013b), 3.5 percent wage indexation, 2.5 percent inflation, compulsory employer superannuation contributions of 9.25 percent increasing to 12 percent by 2019/20, additional annual superannuation contributions of \$2,500 each, opening fund balance of \$100,000, retirement age of 67, superannuation income tax rate of 15 percent of net earnings and contributions. Estimated annual rates of return before tax based on the investment option used in calculations are as follows, Cash (3.5 percent), Conservative (4.5 percent), Balanced (5.5 percent), Growth (6.5 percent) and High Growth (7.5 percent). Annual running costs for industry and retail funds are based on average expense ratios for the period 1997 to 2012 as shown in Table 2.3.

⁶¹ Estimated superannuation fund balances for each investment option is estimated as follows, Cash – \$2,046,013 (SMSF), \$1,742,012 (Industry & Retail); Conservative - \$2,175,225 (SMSF), \$2,044,908 (Industry & Retail); Balanced - \$2,538,312 (SMSF), \$2,417,472 (Industry & Retail); Growth - \$3,019,451 (SMSF), \$2,876,977 (Industry & Retail); and High Growth - \$3,458,699 (SMSF), \$3,445,036 (Industry & Retail).

Descriptive statistics shown in Appendix E are similar to those reported in Table 3.2, with sample mean (median) total assets being \$567,306 (\$306,780) respectively. Cash and term deposits have a mean (median) of \$156,830 (\$50,690). Each fund has over \$171,000 (\$28,323) in shares, \$85,195 (\$0) in trusts and more than \$94,000 (\$0) in property investments. Appendix F shows the size of the sample of 213,063 SMSFs, by breaking the sample down into deciles by asset size. I report similar figures to the primary results shown in Table 3.3, with the SMSFs in the bottom 3 deciles in Panel D having average (median) total assets of \$25,505 (\$25,834), \$78,702 (\$79,130) and \$130,837 (\$130,614) respectively. At the other end of the scale, I identify that the top 10 percent of SMSFs, a total of 21,306 funds have average total assets of \$2,463,184 (\$1,937,601). The average asset allocation for SMSFs across the three fiscal years to June 2010 shows 29.88 percent of total assets held in listed and unlisted shares; 27.64 percent in cash; 16.51 percent in all types of property and 15.01 percent in listed and unlisted trusts. I also report similar figures in Appendix G to the primary results shown in Table 3.4 with the SMSFs in the smallest fund decile holding more than half (51.15 percent) of total assets in cash but only 1.29 percent in property and 5.32 percent in trusts. As the asset size of the SMSFs increase, the proportion in the cash category gradually reduces (down to 26.19 percent for the largest asset size decile) whilst steady increases holdings in trusts (16.93 percent) and property (19.17 percent) are observed. Little variation is noted in the proportion of assets held in Australian shares across deciles with 27.38 percent and 29.58 percent of total assets held in shares in the smallest and largest deciles respectively.

As expected, the variation observed in the enlarged sample occurs when I analyse its expenses as I have re-admitted observations with reported expenses greater than \$50,000. Appendix H reports higher expenses with them now being 1.33 percent of assets (or \$7,299) for the pooled sample. The smallest fund decile shows expenses of

14.03 percent of assets (\$3,126) whilst the largest fund decile has expenses of only 0.80 percent of assets (\$19,253).

3.6.2 Insurance

My primary tests for SMSF running costs excluded insurance as they are considered to be an optional outlay with only 38,741 SMSFs (or 18 percent) in my sample incurring premiums. In sensitivity testing I include the previously excluded insurance premiums with the revised results reported in Appendices J, L and N being similar (albeit somewhat higher running costs) to the primary results shown in Tables 3.6, 3.7 and 3.8 respectively.

3.6.3 State/territory sub-samples

In Panel B of Table 3.1 I reported the breakdown of my sample on a regional level. In sensitivity testing, I analyse the results by the respective state and territory sub-samples. The breakdown of the mean (median) total assets for each state/territory is shown in Appendix D.1 to D.8 and is as follows; Australian Capital Territory \$534,949 (\$311,469), New South Wales \$554,642 (\$295,488), Northern Territory \$506,899 (\$294,646), Queensland \$546,380 (\$308,398), South Australia \$560,645 (\$337,066), Tasmania \$508,889 (\$316,904), Victoria \$546,864 (\$305,975) and Western Australia \$560,447 (\$307,444). The individual results for the SMSF annual running costs are reported in Appendix I.1 to I.8 with each sub-sample broadly showing similar results to Table 3.6. States with a greater number of observations have higher explanatory power than those with just a few hundred observations. I observe similar results when I test the annual running costs for the main effects in Appendix K.1 to K.8 with nearly all states/territories reporting negative and significant coefficients for *LCASH* and positive and significant

coefficients for all other variables. Appendix M.1 To M.8 shows the analysis of annual running costs including insurance for each sub-sample with no differences to Appendix L.

3.7 Summary and conclusions

Using a large sample of proprietary ATO data, I have examined the size, cost and asset allocation in the Australian SMSF segment. My study complements prior studies of both small and large APRA-regulated funds to the SMSF - the fastest growing and largest sector of the \$1.8 trillion Australian retirement industry. I provide the first large sample evidence consistent with calls for more SMSF sector research in the Cooper Review and develop an SMSF Costs Matrix as a useful tool for authorised representatives to disclose annual SMSF running costs to clients in response to ASIC's Consultation Paper 216.

Subject to a limitation in the form of my sample period falling within the Global Financial Crisis (GFC), I report four primary findings. First, I find that SMSFs with higher balances benefit from economies of scale.⁶² Second, I find that the minimum cost to operate an SMSF is under \$1,000 per annum with the annual median running cost (excluding insurance premiums) being just 0.45 percent of total assets, approximately half of the expense ratios of industry and retail funds. Last, I estimate that the lifetime cost-saving benefits associated with using a SMSF structure, rather than an industry or retail fund, could be as much as \$304,000 for the average 35 year old working couple.

A feature of past financial system inquiries in Australia has been to examine major changes since the last review. Given these findings, coupled with the substantial increase in the economic importance of the superannuation industry since the last Australian

⁶² Whilst SMSFs may enjoy scale economies, individuals should take into consideration their time to retirement and initial balance (relative to their investment strategy) to determine if an SMSF is the most cost effective structure compared to other types of superannuation funds.

financial system inquiry in 1997, it is expected that the forthcoming inquiry this year should focus more heavily on the nation's \$1.8 trillion retirement industry than its predecessor did, with a particular emphasis on SMSFs.

3.8 Chapter 3 figures and tables

Figure 3.1: Total assets (mean) for sample of 209,420 Australian SMSFs in accumulation phase, 2008-2010 ranked by size deciles

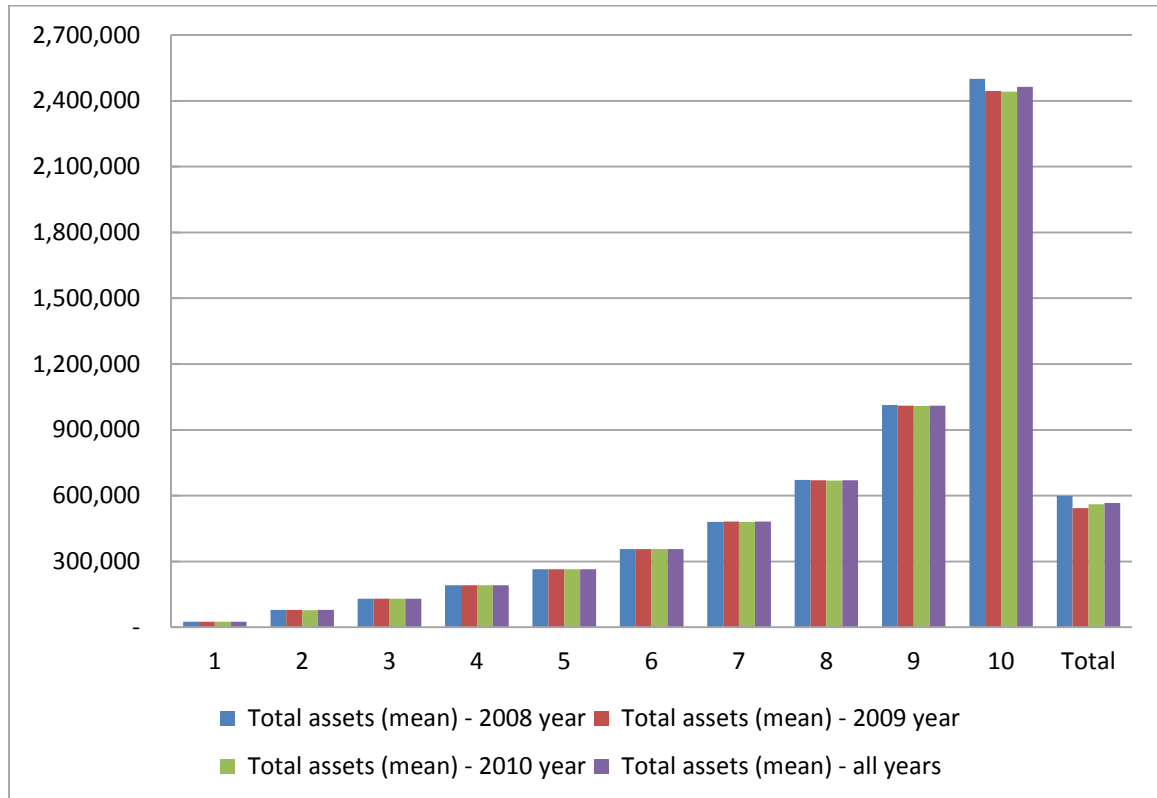


Figure 3.2: Total assets (median) for sample of 209,420 Australian SMSFs in accumulation phase, 2008-2010 ranked by size deciles

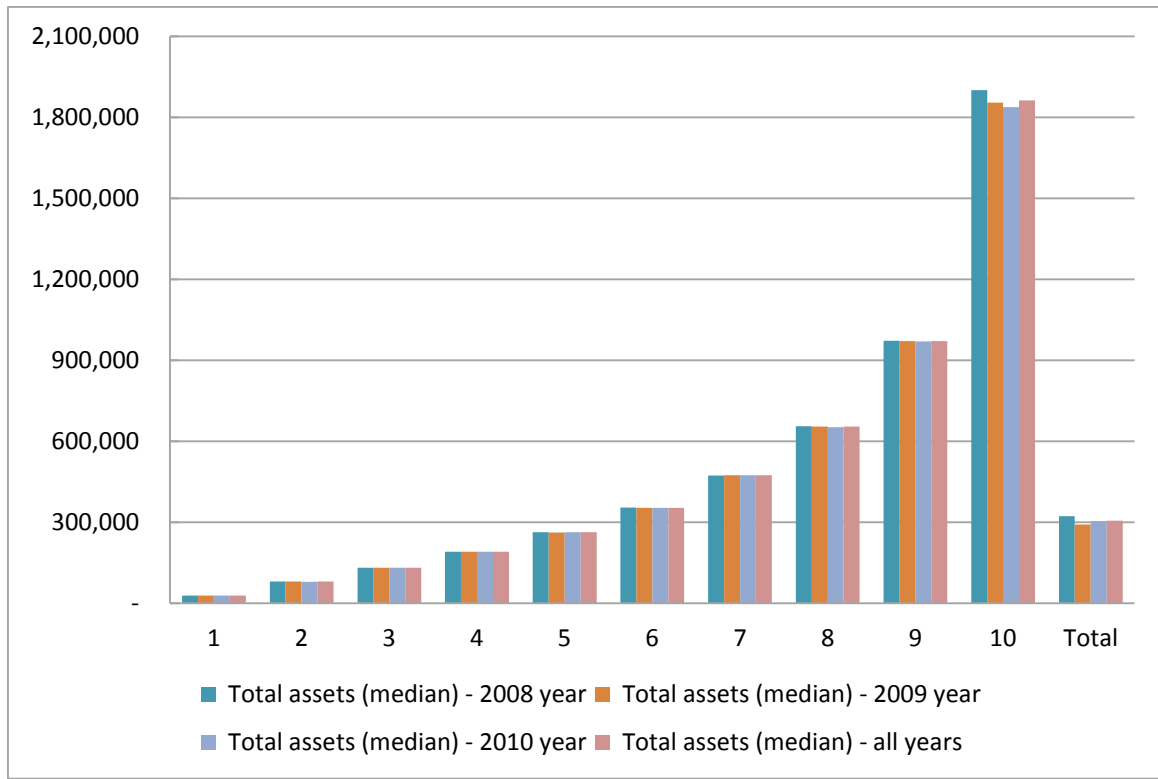


Figure 3.3: Asset allocation for sample of 209,420 Australian SMSFs in accumulation phase, 2008-2010

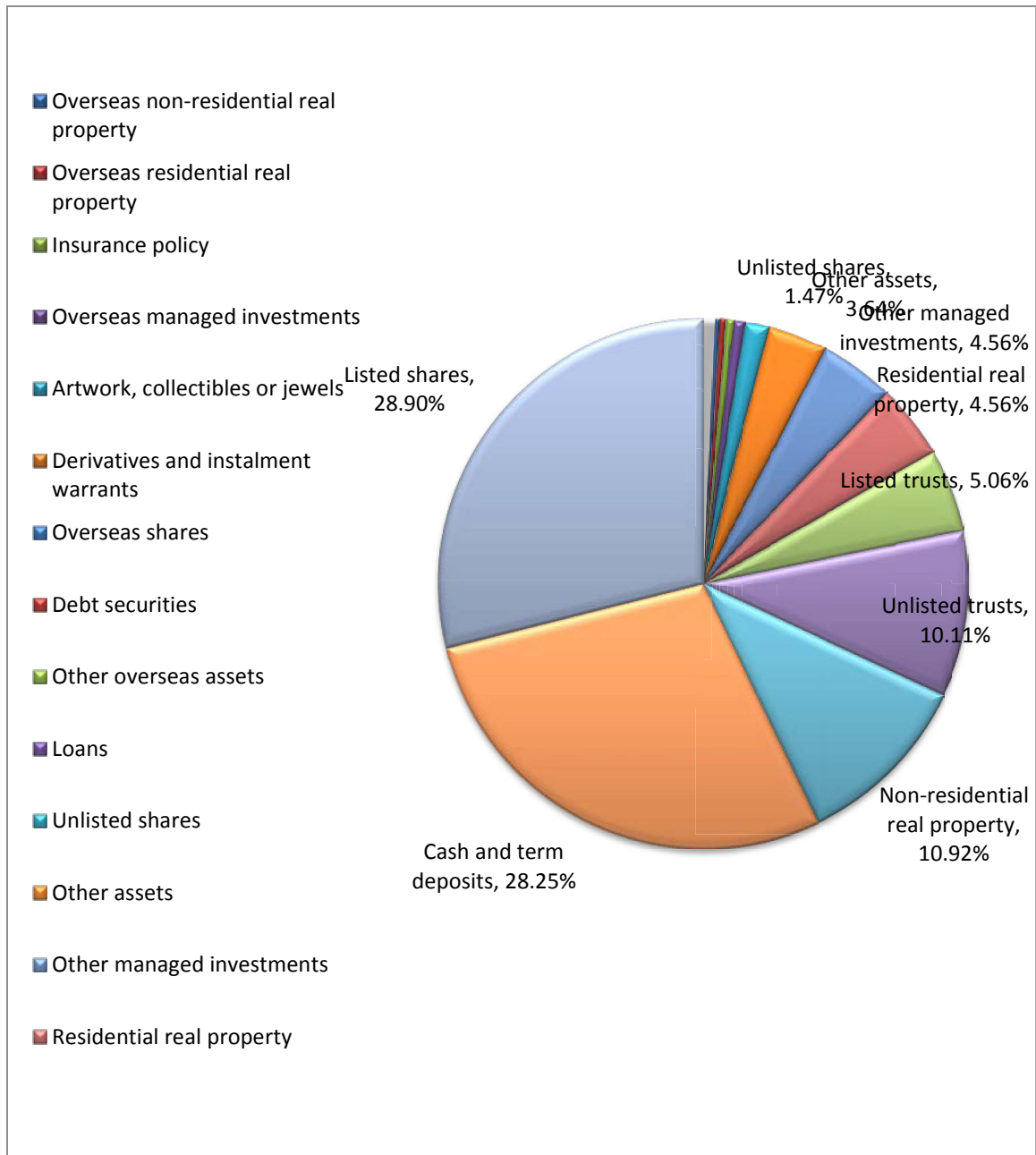


Figure 3.4: Percentage of sample of 209,420 Australian SMSFs in accumulation phase, 2008-2010 ranked by deciles in growth assets

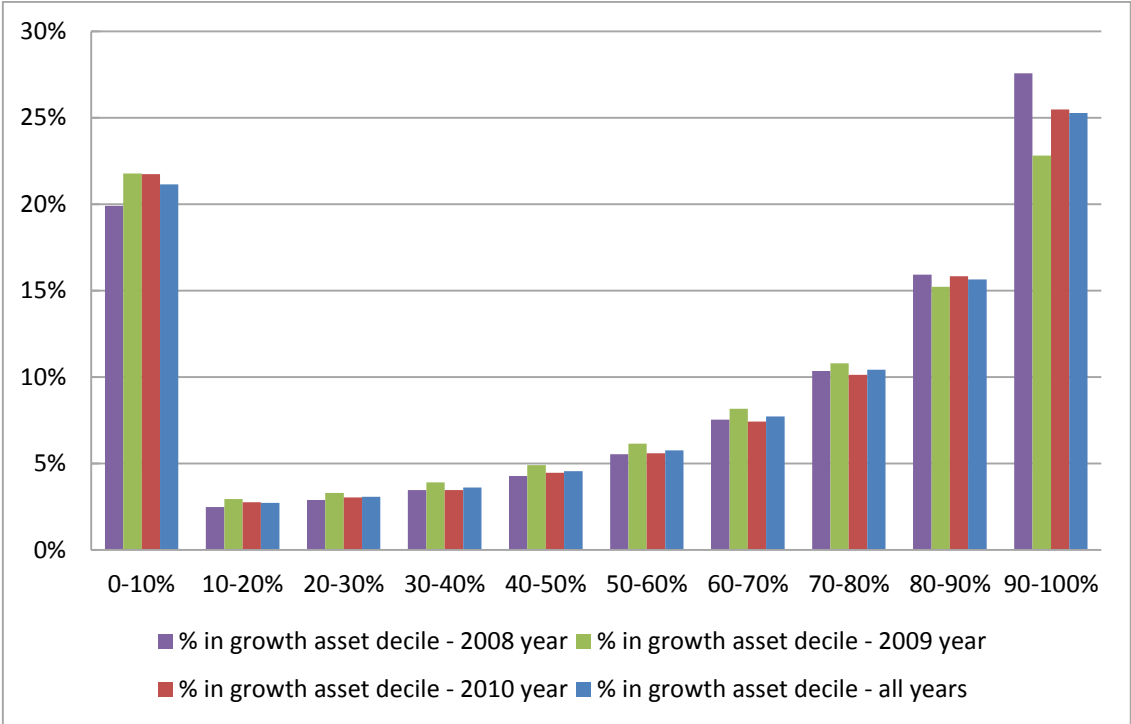


Figure 3.5: Total assets (mean) for sample of 209,420 Australian SMSFs in accumulation phase, 2008-2010 ranked by deciles in growth assets

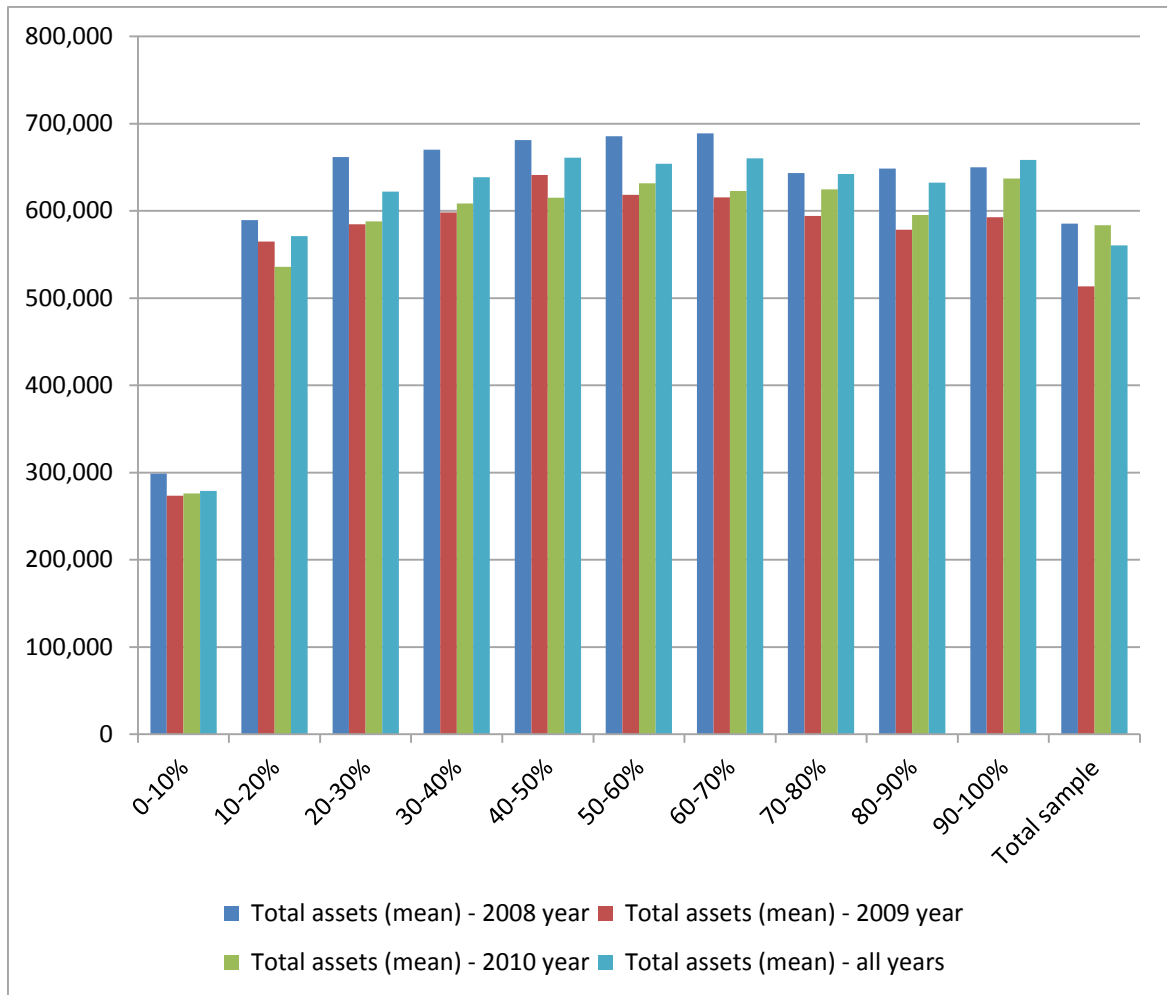


Figure 3.6: Total assets (median) for sample of 209,420 Australian SMSFs in accumulation phase, 2008-2010 ranked by deciles in growth assets



Figure 3.7: Estimated annual running costs (by investment option) by number of SMSF members

Figure 3.7a: Estimated annual running costs (by investment option) for an SMSF with one member

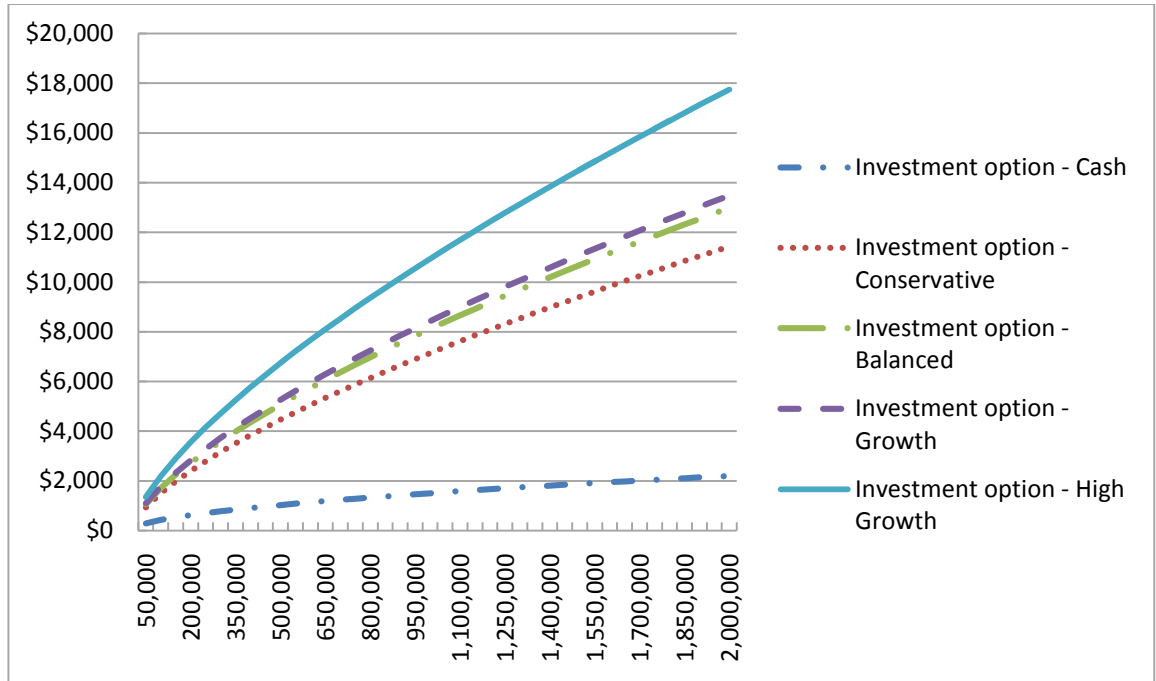


Figure 3.7b: Estimated annual running costs (by investment option) for an SMSF with two members

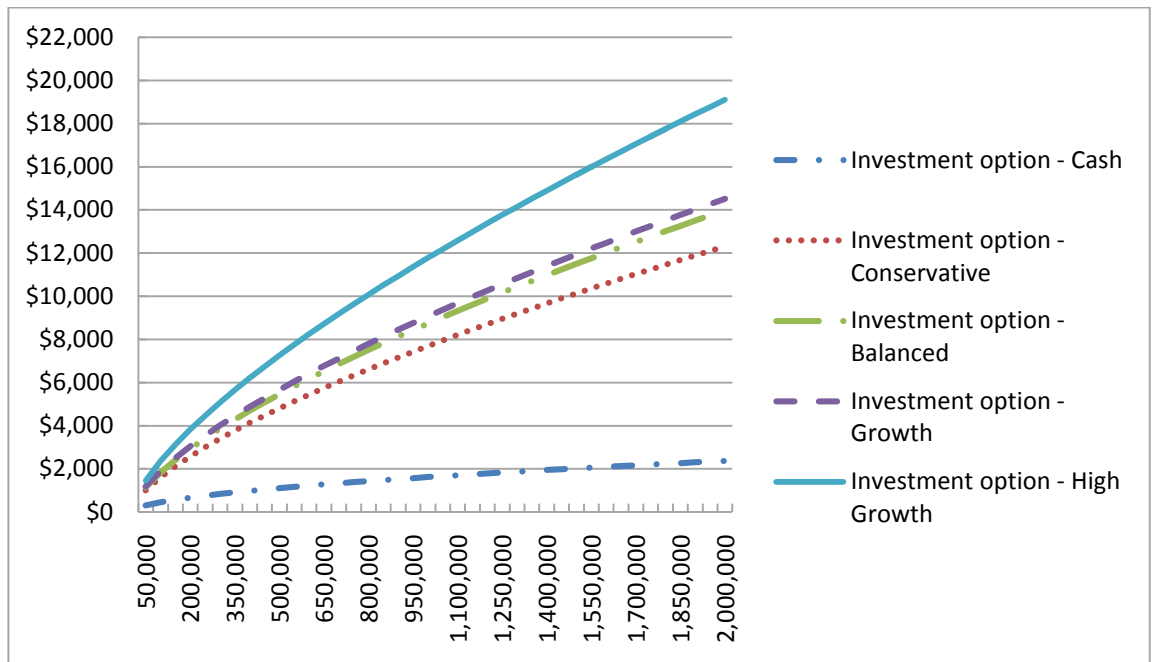


Figure 3.7c: Estimated annual running costs (by investment option) for an SMSF with three members

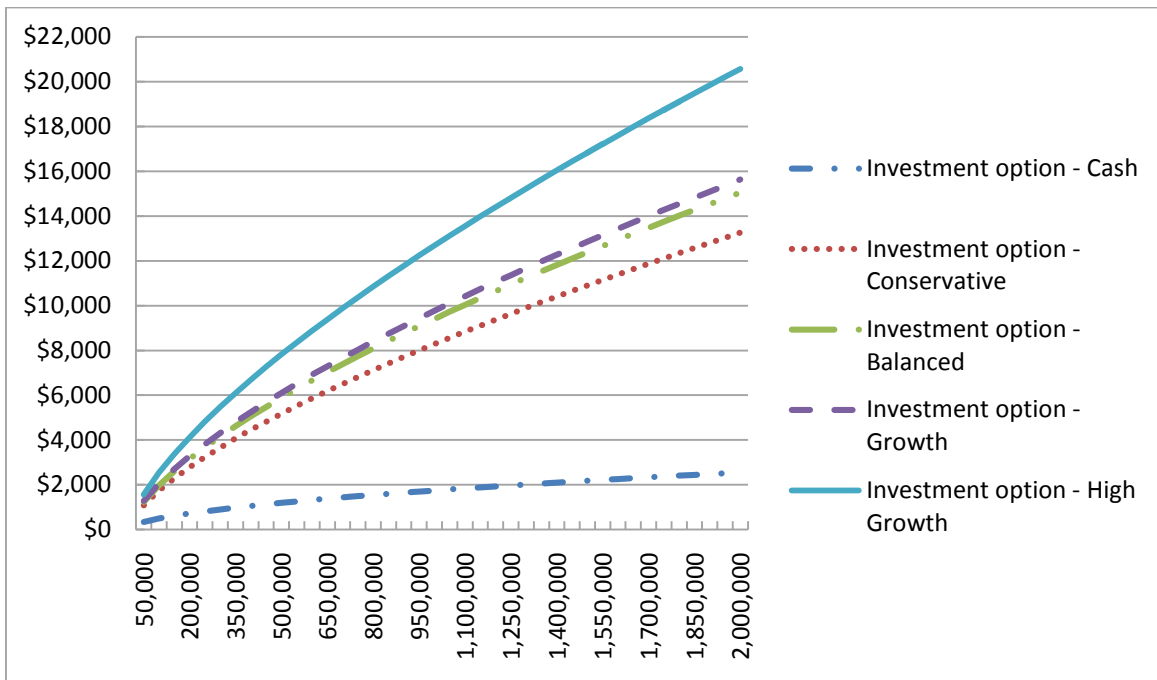


Figure 3.7d: Estimated annual running costs (by investment option) for an SMSF with four members

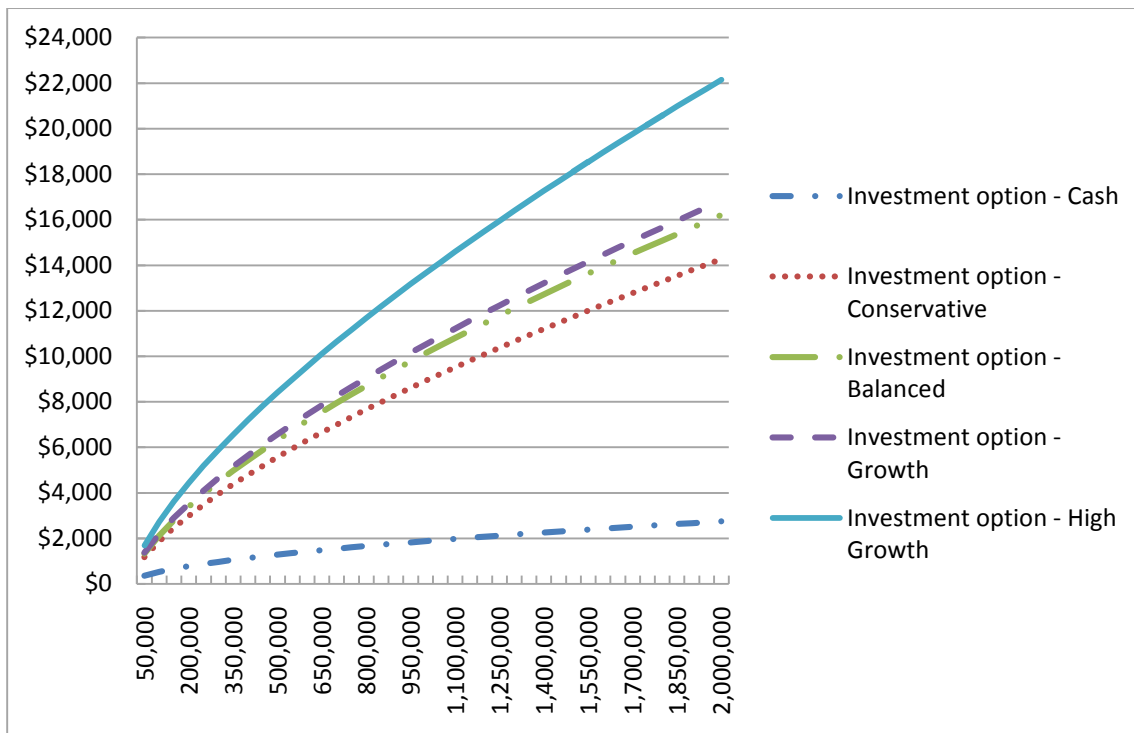


Figure 3.8: Superannuation fund balance comparison (by investment option)

Figure 3.8a: Superannuation fund balance (Cash) comparison for 35 year old working couple til retirement age based on an initial balance of \$100,000 each and additional contributions of \$2,500 each pa

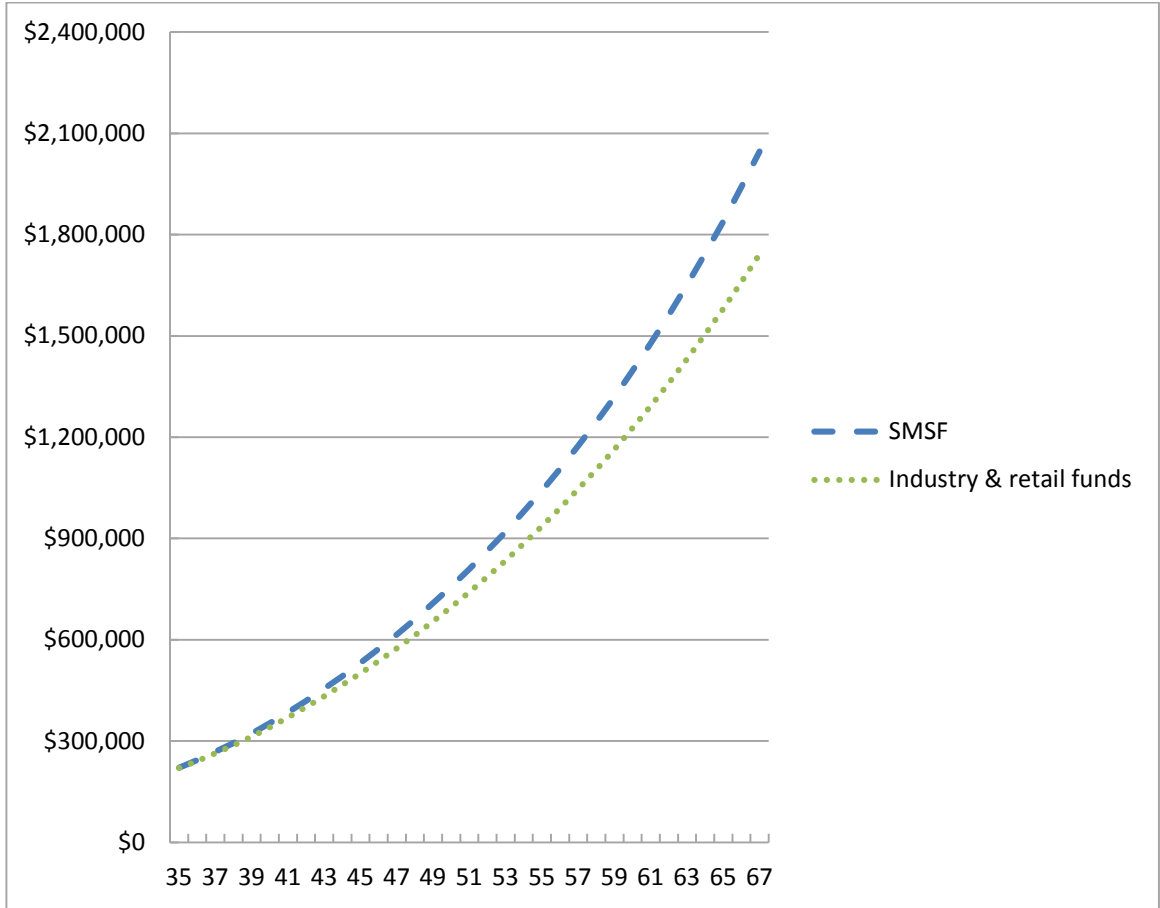


Figure 3.8b: Superannuation fund balance (Conservative) comparison for 35 year old working couple til retirement age based on an initial balance of \$100,000 each and additional contributions of \$2,500 each pa

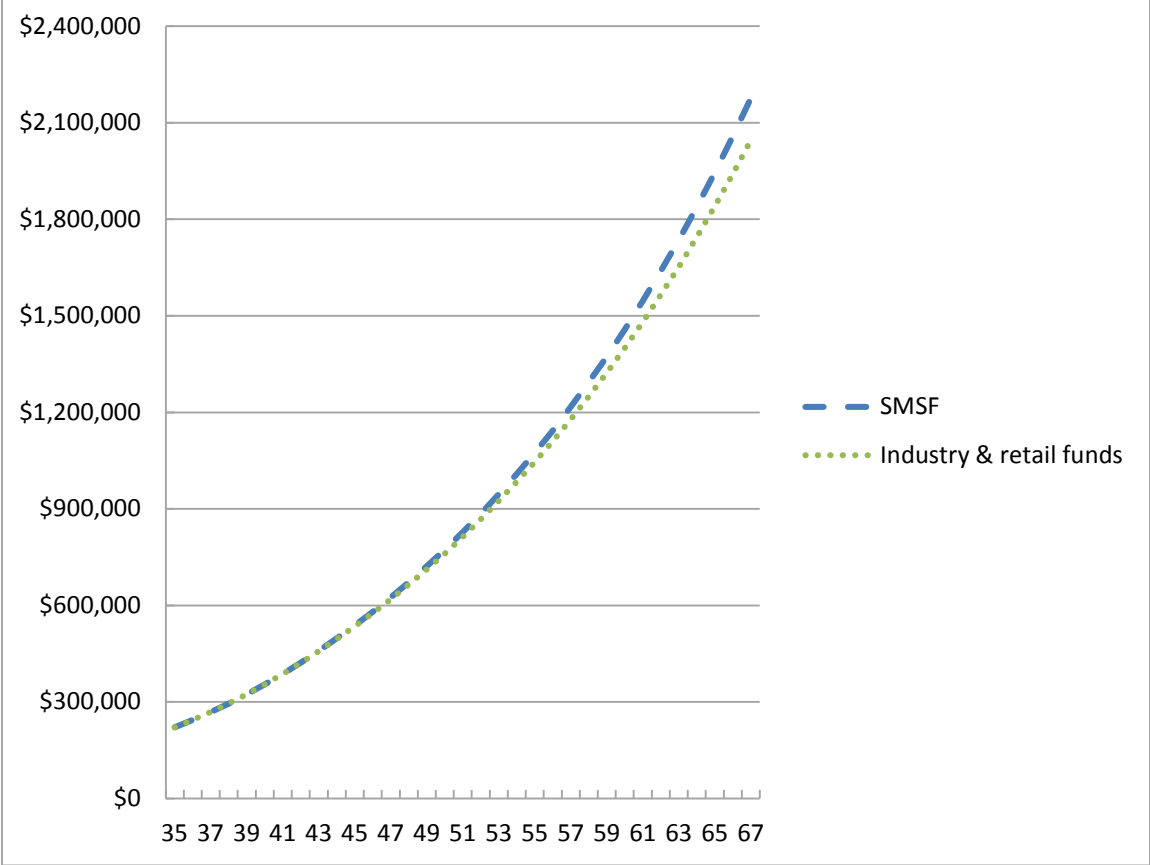


Figure 3.8c: Superannuation fund balance (Balanced) comparison for 35 year old working couple til retirement age based on an initial balance of \$100,000 each and additional contributions of \$2,500 each pa

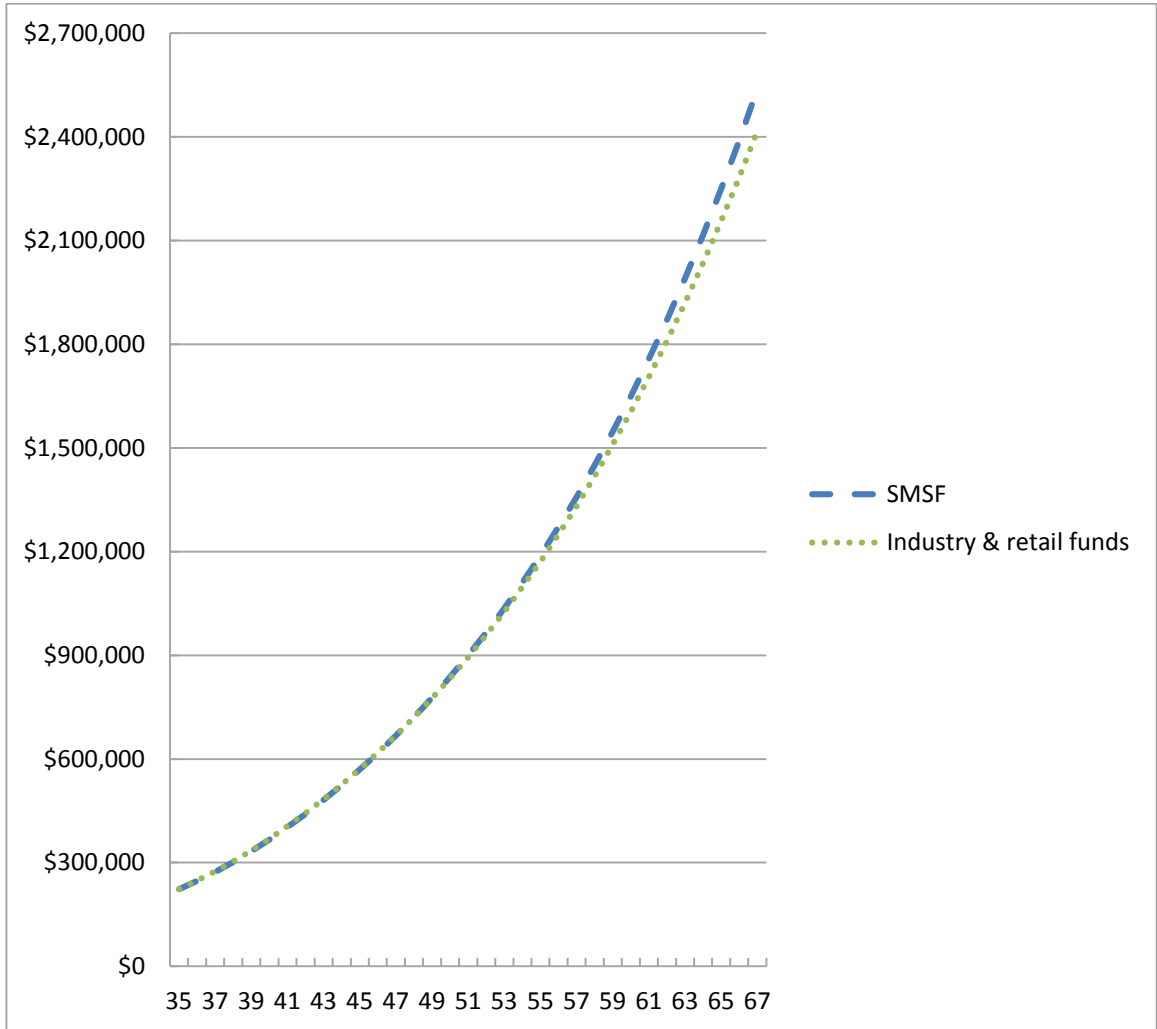


Figure 3.8d: Superannuation fund balance (Growth) comparison for 35 year old working couple til retirement age based on an initial balance of \$100,000 each and additional contributions of \$2,500 each pa

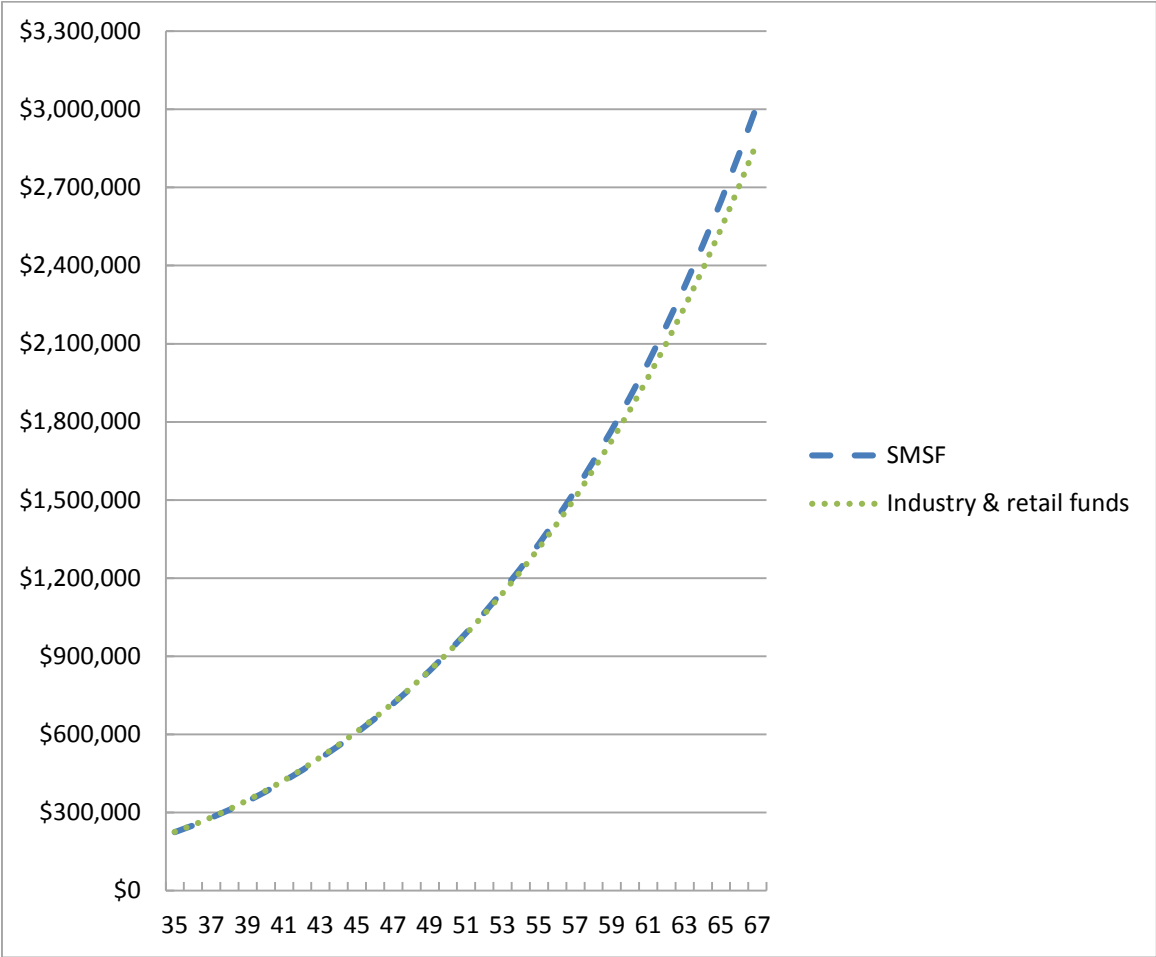


Figure 3.8e: Superannuation fund balance (High Growth) comparison for 35 year old working couple til retirement age based on an initial balance of \$100,000 each and additional contributions of \$2,500 each pa

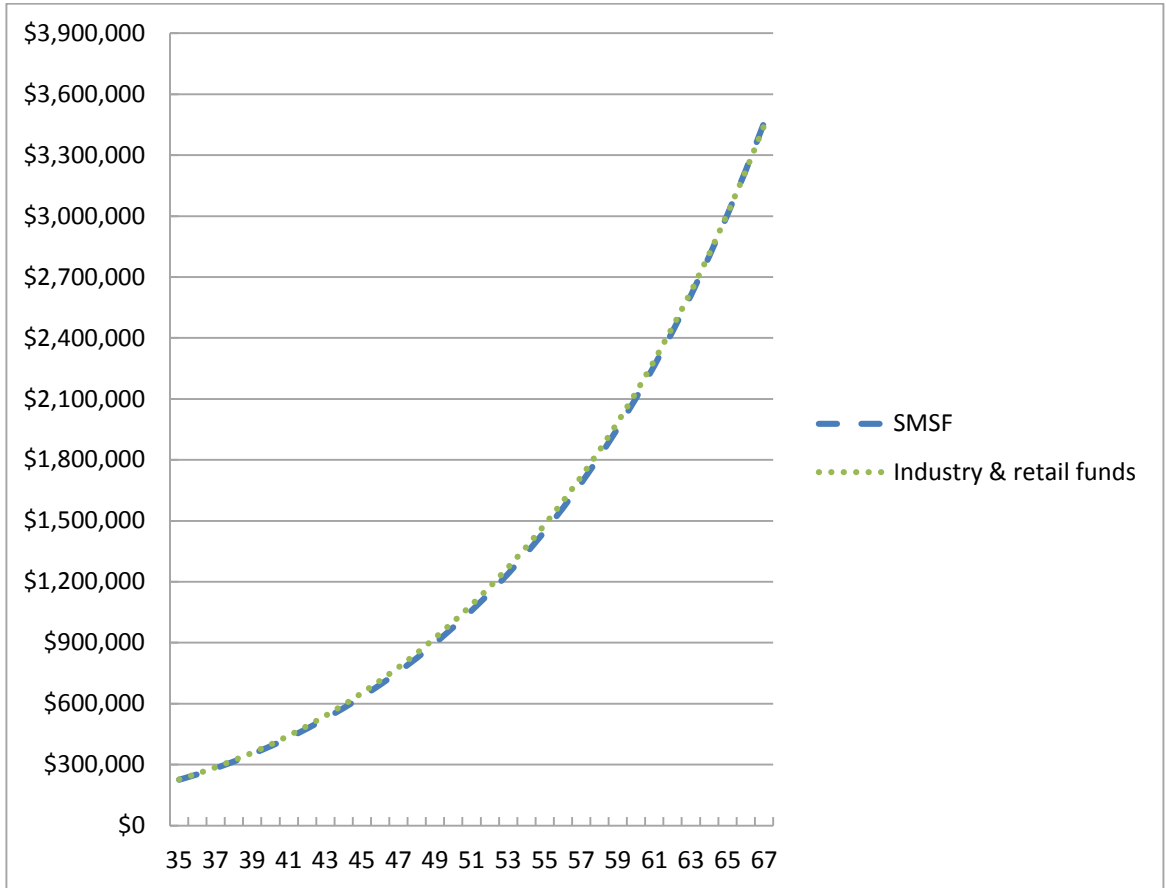


Table 3.1: Self-managed superannuation funds sample by year, 2008-2010

Panel A - SMSF-year observations in sample

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Total</u>
SMSF-year observations received from ATO	73,002	73,000	73,000	219,002
Less: Observations removed due to incomplete information	- 3,408	- 1,393	- 1,138	- 5,939
Less: Extreme observations removed	- 1,156	- 1,223	- 1,264	- 3,643
Remaining SMSF-year observations	<u>68,438</u>	<u>70,384</u>	<u>70,598</u>	<u>209,420</u>

Panel B - Percentage of observations in sample by state

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Total</u>	<u>Australian Population^a</u>
Australian Capital Territory (ACT)	1.49%	1.43%	1.41%	1.44%	1.65%
New South Wales (NSW)	31.42%	31.56%	31.55%	31.51%	32.10%
Northern Territory (NT)	0.23%	0.22%	0.21%	0.22%	1.04%
Queensland (QLD)	16.79%	16.43%	16.19%	16.47%	20.12%
South Australia (SA)	7.13%	7.22%	7.36%	7.24%	7.28%
Tasmania (TAS)	1.45%	1.35%	1.43%	1.41%	2.25%
Victoria (VIC)	29.96%	29.94%	30.06%	29.99%	24.80%
Western Australia (WA)	11.53%	11.84%	11.78%	11.72%	10.76%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

^a **Source:** Australian Bureau of Statistics (2012a)

Table 3.2: Descriptive statistics of self-managed superannuation funds sample, 2008-2010

	<u>Panel A (2008 year n=68,438)</u>			<u>Panel B (2009 year n=70,384)</u>			<u>Panel C (2010 year n=70,598)</u>			<u>Panel D (All years n=209,420)</u>		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Listed trusts	35,839.59	-	150,907.20	24,873.90	-	112,509.30	23,157.55	-	112,788.50	27,878.86	-	126,554.70
Unlisted trusts	59,670.75	-	297,626.40	53,363.60	-	277,963.30	54,174.15	-	314,370.10	55,698.01	-	297,050.50
Insurance policy	494.63	-	17,224.45	455.77	-	18,031.67	294.52	-	12,029.15	414.11	-	15,969.25
Other managed investments	29,321.01	-	254,497.30	22,349.39	-	153,321.30	23,798.50	-	175,642.20	25,116.21	-	198,684.30
Cash and term deposits	156,971.90	49,248.00	359,075.20	157,847.10	52,694.50	320,879.20	152,201.90	51,489.00	314,592.00	155,658.00	51,001.50	331,827.00
Debt securities	2,210.44	-	42,385.35	1,916.97	-	52,097.50	1,905.19	-	32,366.66	2,008.90	-	43,040.19
Loans	4,133.77	-	56,717.99	3,570.63	-	41,863.37	3,536.97	-	50,163.49	3,743.32	-	49,886.36
Listed shares	174,969.80	31,843.50	444,072.70	143,250.50	26,614.50	335,449.50	159,969.10	29,135.00	607,814.10	159,252.30	29,036.00	476,414.20
Unlisted shares	8,659.42	-	82,443.68	7,802.18	-	76,238.42	7,779.06	-	78,038.63	8,074.53	-	78,916.51
Derivatives and instalment warrants	927.30	-	21,738.09	927.00	-	18,043.18	1,297.28	-	20,930.20	1,051.92	-	20,286.68
Non-residential real property	58,561.77	-	264,394.40	59,269.53	-	232,778.10	62,668.39	-	239,176.00	60,184.03	-	245,648.20
Residential real property	24,865.40	-	132,697.20	24,102.54	-	128,063.40	26,469.88	-	147,631.30	25,149.90	-	136,435.20
Artwork, collectables, metal or jewels	1,163.43	-	17,664.55	1,205.81	-	17,854.06	1,539.43	-	25,211.06	1,304.43	-	20,576.67
Other assets	20,869.29	1,058.00	177,043.30	20,320.05	1,836.00	164,531.40	19,010.63	1,824.00	152,712.00	20,058.12	1,560.00	164,934.90
Overseas shares	1,700.58	-	41,712.22	1,469.96	-	37,962.48	1,724.89	-	40,555.61	1,631.27	-	40,092.65
Overseas non-residential real property	213.95	-	24,360.37	140.42	-	10,127.05	142.59	-	8,784.81	165.18	-	15,950.36
Overseas residential real property	261.88	-	14,052.54	254.75	-	13,521.54	332.43	-	15,966.13	283.27	-	14,557.37
Overseas managed investments	705.17	-	25,327.96	629.91	-	31,709.69	567.32	-	26,832.23	633.40	-	28,112.07
Other overseas assets	3,322.28	-	62,471.79	2,440.05	-	40,369.41	2,420.88	-	40,259.93	2,721.90	-	48,679.45
Total assets	584,862.40	322,249.00	899,481.00	526,190.00	291,529.50	766,315.10	542,990.70	304,672.00	932,179.00	551,027.70	305,676.50	869,079.00
Borrowings	1,071.05	-	25,259.01	2,545.27	-	38,217.64	5,436.46	-	48,695.93	3,038.15	-	38,756.35
Total member account balances	566,813.60	310,410.00	856,895.10	514,578.10	282,567.50	756,127.10	529,411.80	293,345.00	896,774.20	536,649.20	295,176.50	838,861.50
Reserve accounts	589.52	-	21,803.21	540.47	-	19,663.20	552.32	-	30,875.44	560.50	-	24,630.48
Other liabilities	10,899.62	2,766.00	37,697.81	8,341.63	1,711.00	35,821.47	7,590.08	1,208.00	61,777.02	8,924.22	1,798.00	46,735.50
Total liabilities	579,373.80	318,733.50	872,920.60	526,005.50	291,265.50	767,940.20	542,990.70	304,672.00	932,179.00	549,172.00	304,572.00	860,604.60
Member Count	1.90	2.00	.69	1.92	2.00	.68	1.92	2.00	.66	1.91	2.00	.67
Total assessable income	74,562.75	38,792.50	102,303.70	63,451.74	30,428.50	86,376.91	46,988.95	26,392.00	66,490.17	61,532.99	31,101.00	86,868.57
Total deductions	5,100.59	2,558.00	7,126.35	5,276.04	2,786.00	7,525.87	5,696.42	3,012.00	7,769.42	5,360.42	2,788.00	7,486.22
Taxable income	69,426.97	33,603.50	100,105.90	58,172.95	25,427.50	84,374.52	41,292.70	21,187.00	64,541.07	56,160.20	25,979.50	84,883.05

Table 3.3: Asset allocation breakdown of Australian SMSF sample, 2008-2010 ranked by size deciles

Panel A – Asset allocation breakdown of Australian SMSF sample for 2008 year ranked by size deciles - mean as a percentage of total assets (mean)

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Listed trusts	2.84%	4.40%	6.02%	6.08%	6.72%	6.54%	6.27%	6.87%	6.51%	5.74%	6.13%
Unlisted trusts	3.54%	4.69%	6.45%	6.78%	7.26%	8.05%	8.35%	9.19%	9.69%	12.23%	10.20%
Insurance policy	0.12%	0.21%	0.11%	0.09%	0.10%	0.07%	0.09%	0.07%	0.11%	0.07%	0.08%
Other managed investments	2.79%	3.78%	4.71%	5.13%	5.19%	5.53%	5.56%	5.41%	5.12%	4.75%	5.01%
Cash and term deposits	49.12%	42.82%	35.61%	33.50%	30.19%	28.08%	28.37%	26.96%	26.40%	24.63%	26.84%
Debt securities	0.33%	0.32%	0.17%	0.32%	0.26%	0.32%	0.28%	0.32%	0.34%	0.46%	0.38%
Loans	2.95%	1.88%	1.46%	1.05%	1.08%	0.71%	0.55%	0.44%	0.58%	0.70%	0.71%
Listed shares	24.83%	28.99%	31.29%	30.46%	30.99%	30.49%	29.12%	29.20%	28.77%	30.49%	29.92%
Unlisted shares	2.62%	2.10%	2.01%	1.84%	1.38%	1.37%	1.30%	1.10%	1.40%	1.59%	1.48%
Derivatives and instalment warrants	0.20%	0.33%	0.37%	0.36%	0.26%	0.24%	0.22%	0.21%	0.13%	0.10%	0.16%
Non-residential real property	0.91%	2.56%	4.07%	5.95%	7.66%	8.46%	9.97%	10.69%	11.66%	10.51%	10.01%
Residential real property	0.58%	1.23%	2.18%	2.97%	3.81%	5.36%	5.54%	5.29%	5.18%	3.59%	4.25%
Artwork, collectables, metal or jewels	0.75%	0.72%	0.40%	0.38%	0.35%	0.29%	0.18%	0.21%	0.18%	0.13%	0.20%
Other assets	6.89%	4.85%	4.30%	4.06%	4.03%	3.60%	3.47%	3.42%	3.13%	3.61%	3.57%
Overseas shares	0.42%	0.30%	0.26%	0.31%	0.21%	0.27%	0.21%	0.17%	0.19%	0.38%	0.29%
Overseas non-residential real property	0.06%	0.03%	0.05%	0.07%	0.01%	0.04%	0.02%	0.02%	0.01%	0.05%	0.04%
Overseas residential real property	0.12%	0.15%	0.06%	0.12%	0.07%	0.05%	0.05%	0.06%	0.03%	0.03%	0.04%
Overseas managed investments	0.23%	0.12%	0.08%	0.11%	0.06%	0.09%	0.07%	0.07%	0.13%	0.15%	0.12%
Other overseas assets	0.71%	0.52%	0.42%	0.43%	0.37%	0.45%	0.38%	0.31%	0.43%	0.77%	0.57%
Total assets (%)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total assets - mean (\$)	27,527.21	80,580.31	131,888.50	191,746.70	264,275.00	355,429.90	476,527.60	661,997.70	990,712.30	2,365,199.00	584,862.40
Total assets - median (\$)	28,326.00	80,974.00	131,763.00	191,393.00	263,266.00	354,386.00	473,533.00	656,346.00	972,755.50	1,900,625.00	322,249.00
<i>n</i>	6,655	6,597	6,459	6,515	6,770	6,854	6,829	6,948	7,202	7,609	68,438

Panel B - Asset allocation breakdown of Australian SMSF sample for 2009 year ranked by size deciles - mean as a percentage of total assets (mean)

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Listed trusts	2.71%	3.73%	4.99%	5.06%	4.93%	5.23%	5.32%	5.11%	5.07%	4.24%	4.73%
Unlisted trusts	2.80%	4.52%	5.96%	6.23%	7.05%	7.38%	8.18%	8.67%	9.20%	13.22%	10.14%
Insurance policy	0.07%	0.11%	0.08%	0.09%	0.08%	0.08%	0.07%	0.04%	0.07%	0.11%	0.09%
Other managed investments	2.82%	3.57%	4.53%	4.63%	4.77%	4.77%	4.44%	4.37%	4.01%	4.11%	4.25%
Cash and term deposits	50.31%	43.83%	37.79%	36.68%	32.98%	32.27%	30.58%	29.76%	29.32%	27.56%	30.00%
Debt securities	0.20%	0.21%	0.18%	0.25%	0.23%	0.26%	0.34%	0.28%	0.28%	0.50%	0.36%
Loans	2.28%	1.83%	1.43%	1.10%	0.96%	0.86%	0.55%	0.48%	0.56%	0.60%	0.68%
Listed shares	25.92%	29.33%	30.73%	29.96%	30.18%	28.87%	27.59%	27.00%	26.52%	26.34%	27.22%
Unlisted shares	2.24%	2.01%	1.84%	1.68%	1.59%	1.23%	1.22%	1.18%	1.26%	1.69%	1.48%
Derivatives and instalment warrants	0.17%	0.34%	0.37%	0.40%	0.35%	0.30%	0.24%	0.23%	0.16%	0.07%	0.18%
Non-residential real property	0.73%	2.23%	3.66%	5.31%	7.59%	8.70%	10.68%	12.33%	13.08%	12.69%	11.26%
Residential real property	0.39%	0.87%	1.73%	2.63%	3.63%	4.96%	6.04%	5.86%	5.85%	3.93%	4.58%
Artwork, collectables, metal or jewels	1.00%	0.80%	0.54%	0.41%	0.36%	0.30%	0.27%	0.22%	0.17%	0.15%	0.23%
Other assets	7.40%	5.58%	5.37%	4.67%	4.56%	4.08%	3.80%	3.84%	3.67%	3.56%	3.86%
Overseas shares	0.23%	0.27%	0.24%	0.26%	0.17%	0.16%	0.22%	0.17%	0.22%	0.39%	0.28%
Overseas non-residential real property	0.07%	0.06%	0.02%	0.02%	0.02%	0.05%	0.01%	0.02%	0.03%	0.03%	0.03%
Overseas residential real property	0.03%	0.07%	0.06%	0.10%	0.09%	0.03%	0.06%	0.06%	0.03%	0.04%	0.05%
Overseas managed investments	0.09%	0.09%	0.08%	0.08%	0.08%	0.08%	0.05%	0.05%	0.08%	0.19%	0.12%
Other overseas assets	0.55%	0.57%	0.41%	0.44%	0.38%	0.39%	0.34%	0.34%	0.40%	0.58%	0.46%
Total assets (%)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total assets - mean (\$)	27,938.15	80,564.08	132,015.80	191,555.10	263,874.60	354,901.90	477,136.90	661,120.20	988,953.50	2,306,057.00	526,190.00
Total assets - median (\$)	29,147.00	81,190.00	131,890.00	190,928.50	262,789.00	353,608.00	474,920.00	654,910.50	971,260.00	1,854,316.00	291,529.50
<i>n</i>	<i>7,296</i>	<i>7,465</i>	<i>7,247</i>	<i>7,260</i>	<i>7,065</i>	<i>6,930</i>	<i>7,041</i>	<i>6,884</i>	<i>6,668</i>	<i>6,528</i>	<i>70,384</i>

Panel C - Asset allocation breakdown of Australian SMSF sample for 2010 year ranked by size deciles - mean as a percentage of total assets (mean)

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Listed trusts	2.05%	3.31%	4.17%	4.78%	4.37%	4.58%	4.65%	4.58%	4.32%	4.02%	4.26%
Unlisted trusts	2.34%	4.26%	5.93%	6.51%	7.28%	7.73%	7.92%	8.21%	9.36%	12.73%	9.98%
Insurance policy	0.05%	0.04%	0.07%	0.08%	0.08%	0.08%	0.06%	0.06%	0.04%	0.05%	0.05%
Other managed investments	2.38%	3.15%	4.20%	4.61%	4.97%	4.45%	4.71%	4.45%	4.48%	4.23%	4.38%
Cash and term deposits	52.40%	44.84%	39.29%	35.92%	32.50%	30.65%	29.41%	28.18%	27.70%	24.64%	28.03%
Debt securities	0.18%	0.14%	0.18%	0.23%	0.32%	0.31%	0.26%	0.27%	0.41%	0.41%	0.35%
Loans	2.09%	1.67%	1.53%	0.89%	0.86%	0.65%	0.60%	0.44%	0.58%	0.60%	0.65%
Listed shares	25.68%	30.33%	31.27%	31.67%	31.44%	30.72%	28.02%	29.05%	28.28%	29.69%	29.46%
Unlisted shares	2.31%	2.28%	1.77%	1.52%	1.25%	1.22%	1.17%	1.14%	1.17%	1.68%	1.43%
Derivatives and instalment warrants	0.16%	0.29%	0.27%	0.42%	0.46%	0.43%	0.38%	0.38%	0.27%	0.08%	0.24%
Non-residential real property	0.81%	2.11%	3.52%	4.94%	7.78%	9.66%	11.45%	12.95%	13.35%	12.61%	11.54%
Residential real property	0.60%	0.82%	1.78%	2.69%	3.48%	5.08%	6.60%	5.97%	5.97%	4.40%	4.87%
Artwork, collectables, metal or jewels	0.84%	0.73%	0.64%	0.56%	0.42%	0.37%	0.31%	0.32%	0.18%	0.21%	0.28%
Other assets	7.07%	5.03%	4.36%	4.30%	3.98%	3.38%	3.56%	3.36%	3.15%	3.43%	3.50%
Overseas shares	0.32%	0.24%	0.29%	0.27%	0.25%	0.25%	0.26%	0.20%	0.21%	0.44%	0.32%
Overseas non-residential real property	0.07%	0.08%	0.01%	0.06%	0.03%	0.02%	0.06%	0.00%	0.05%	0.01%	0.03%
Overseas residential real property	0.04%	0.10%	0.15%	0.13%	0.07%	0.04%	0.08%	0.05%	0.04%	0.06%	0.06%
Overseas managed investments	0.11%	0.08%	0.07%	0.06%	0.05%	0.08%	0.08%	0.04%	0.08%	0.16%	0.10%
Other overseas assets	0.48%	0.50%	0.50%	0.36%	0.41%	0.32%	0.41%	0.33%	0.36%	0.55%	0.45%
Total assets (%)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total assets - mean (\$)	27,665.82	79,940.45	132,026.40	191,860.20	263,851.70	354,469.40	476,872.20	659,597.80	988,761.10	2,320,803.00	542,990.70
Total assets - median (\$)	28,383.00	80,000.00	132,127.00	191,221.00	263,052.00	353,254.50	474,489.00	652,745.50	970,365.00	1,837,728.00	304,672.00
<i>n</i>	6,991	6,880	7,236	7,167	7,107	7,158	7,072	7,110	7,072	6,805	70,598

Panel D - Asset allocation breakdown of Australian SMSF sample for all years ranked by size deciles - mean as a percentage of total assets (mean)

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Listed trusts	2.53%	3.80%	5.02%	5.28%	5.32%	5.44%	5.40%	5.51%	5.32%	4.72%	5.06%
Unlisted trusts	2.88%	4.49%	6.10%	6.50%	7.20%	7.72%	8.15%	8.69%	9.42%	12.70%	10.11%
Insurance policy	0.08%	0.12%	0.09%	0.08%	0.09%	0.08%	0.07%	0.06%	0.07%	0.08%	0.08%
Other managed investments	2.66%	3.50%	4.47%	4.78%	4.97%	4.91%	4.90%	4.74%	4.55%	4.38%	4.56%
Cash and term deposits	50.63%	43.84%	37.64%	35.43%	31.91%	30.34%	29.46%	28.29%	27.77%	25.53%	28.25%
Debt securities	0.23%	0.22%	0.18%	0.27%	0.27%	0.29%	0.29%	0.29%	0.35%	0.46%	0.36%
Loans	2.43%	1.80%	1.47%	1.01%	0.96%	0.74%	0.57%	0.45%	0.57%	0.64%	0.68%
Listed shares	25.50%	29.55%	31.09%	30.70%	30.87%	30.03%	28.23%	28.43%	27.89%	28.95%	28.90%
Unlisted shares	2.39%	2.12%	1.87%	1.68%	1.41%	1.27%	1.23%	1.14%	1.28%	1.65%	1.47%
Derivatives and instalment warrants	0.17%	0.32%	0.33%	0.39%	0.36%	0.32%	0.28%	0.27%	0.19%	0.08%	0.19%
Non-residential real property	0.82%	2.30%	3.74%	5.38%	7.68%	8.95%	10.71%	12.00%	12.68%	11.86%	10.92%
Residential real property	0.52%	0.96%	1.89%	2.76%	3.64%	5.13%	6.06%	5.71%	5.66%	3.96%	4.56%
Artwork, collectables, metal or jewels	0.87%	0.75%	0.53%	0.45%	0.38%	0.32%	0.26%	0.25%	0.18%	0.17%	0.24%
Other assets	7.13%	5.17%	4.69%	4.35%	4.19%	3.69%	3.61%	3.54%	3.31%	3.53%	3.64%
Overseas shares	0.32%	0.27%	0.26%	0.28%	0.21%	0.22%	0.23%	0.18%	0.21%	0.40%	0.30%
Overseas non-residential real property	0.07%	0.06%	0.02%	0.05%	0.02%	0.04%	0.03%	0.01%	0.03%	0.03%	0.03%
Overseas residential real property	0.06%	0.11%	0.09%	0.11%	0.08%	0.04%	0.07%	0.06%	0.03%	0.04%	0.05%
Overseas managed investments	0.14%	0.10%	0.08%	0.08%	0.07%	0.08%	0.07%	0.05%	0.09%	0.17%	0.11%
Other overseas assets	0.57%	0.53%	0.45%	0.41%	0.38%	0.39%	0.38%	0.33%	0.40%	0.64%	0.49%
Total assets (%)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total assets - mean (\$)	27,716.65	80,364.31	131,980.20	191,719.10	263,996.20	354,926.90	476,848.80	660,894.50	989,493.40	2,332,337.00	551,027.70
Total assets - median (\$)	28,617.50	80,798.50	131,942.00	191,156.50	263,060.00	353,726.50	474,195.00	654,631.00	971,405.50	1,862,816.00	305,676.50
<i>n</i>	20,942	20,942	20,942	20,942	20,942	20,942	20,942	20,942	20,942	20,942	209,420

Panel E – Asset allocation breakdown of Australian SMSF sample for 2008 year ranked by size deciles – mean (\$)

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Listed trusts	780.60	3,548.70	7,933.66	11,664.72	17,771.18	23,241.83	29,868.31	45,449.94	64,522.60	135,745.30	35,839.59
Unlisted trusts	973.86	3,780.05	8,511.08	13,004.19	19,189.19	28,619.20	39,813.76	60,828.50	95,974.56	289,240.80	59,670.75
Insurance policy	32.58	168.48	140.69	166.07	265.85	246.25	434.48	451.65	1,066.57	1,742.43	494.63
Other managed investments	766.87	3,049.76	6,208.77	9,829.80	13,724.37	19,650.42	26,482.96	35,796.36	50,769.37	112,301.30	29,321.01
Cash and term deposits	13,520.61	34,504.70	46,961.61	64,236.40	79,786.49	99,820.73	135,198.90	178,471.90	261,576.60	582,457.10	156,971.90
Debt securities	90.77	255.16	225.91	621.69	678.08	1,120.66	1,338.23	2,125.91	3,392.89	10,890.37	2,210.44
Loans	812.48	1,518.35	1,932.03	2,008.00	2,849.49	2,516.51	2,603.87	2,931.99	5,740.53	16,544.42	4,133.77
Listed shares	6,835.18	23,357.94	41,263.25	58,402.33	81,907.79	108,356.60	138,750.60	193,296.80	285,029.30	721,181.30	174,969.80
Unlisted shares	722.55	1,690.03	2,645.06	3,532.50	3,639.72	4,877.26	6,207.89	7,297.24	13,870.03	37,524.05	8,659.42
Derivatives and instalment warrants	55.00	264.93	482.25	684.34	694.49	838.15	1,060.33	1,366.49	1,255.61	2,306.61	927.30
Non-residential real property	250.38	2,061.38	5,370.54	11,404.16	20,246.28	30,067.01	47,492.63	70,786.83	115,529.80	248,686.10	58,561.77
Residential real property	159.87	988.83	2,872.01	5,690.06	10,061.18	19,056.74	26,381.73	35,020.23	51,359.04	84,956.23	24,865.40
Artwork, collectables, metal or jewels	206.44	582.01	528.49	726.73	930.46	1,030.02	869.52	1,391.09	1,814.57	3,184.43	1,163.43
Other assets	1,896.70	3,906.82	5,671.29	7,776.18	10,641.07	12,804.59	16,538.63	22,625.81	31,011.55	85,329.18	20,869.29
Overseas shares	115.74	241.01	347.90	600.34	544.87	944.87	1,018.47	1,145.19	1,881.66	9,099.40	1,700.58
Overseas non-residential real property	16.54	24.54	64.94	128.70	30.22	143.38	79.19	110.77	110.22	1,290.67	213.95
Overseas residential real property	32.83	123.22	74.26	225.87	187.76	178.70	258.03	364.73	261.65	823.15	261.88
Overseas managed investments	64.00	94.89	102.15	213.85	161.35	312.19	316.41	454.89	1,290.89	3,588.49	705.17
Other overseas assets	194.21	419.53	552.63	830.79	965.10	1,604.87	1,813.61	2,081.48	4,254.91	18,307.68	3,322.28
Total assets - mean (\$)	27,527.21	80,580.32	131,888.51	191,746.73	264,274.96	355,429.97	476,527.54	661,997.82	990,712.34	2,365,199.00	584,862.35
Total assets - median (\$)	28,326.00	80,974.00	131,763.00	191,393.00	263,266.00	354,386.00	473,533.00	656,346.00	972,755.50	1,900,625.00	322,249.00
<i>n</i>	<i>6,655</i>	<i>6,597</i>	<i>6,459</i>	<i>6,515</i>	<i>6,770</i>	<i>6,854</i>	<i>6,829</i>	<i>6,948</i>	<i>7,202</i>	<i>7,609</i>	<i>68,438</i>

Panel F - Asset allocation breakdown of Australian SMSF sample for 2009 year ranked by size deciles - mean (\$)

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Listed trusts	757.49	3,001.79	6,586.69	9,685.56	12,997.60	18,569.84	25,363.33	33,773.03	50,161.97	97,834.75	24,873.90
Unlisted trusts	781.85	3,638.23	7,865.36	11,934.91	18,599.00	26,187.85	39,047.57	57,339.25	91,006.35	304,850.00	53,363.60
Insurance policy	19.22	85.85	108.77	170.21	214.57	286.81	319.97	272.50	706.88	2,593.18	455.77
Other managed investments	788.99	2,878.43	5,980.86	8,865.77	12,593.51	16,912.03	21,195.01	28,870.92	39,697.90	94,856.97	22,349.39
Cash and term deposits	14,055.26	35,307.89	49,887.14	70,258.98	87,016.35	114,517.90	145,909.30	196,726.50	289,993.00	635,494.70	157,847.10
Debt securities	54.95	168.01	240.11	480.91	604.57	920.68	1,619.50	1,825.08	2,816.69	11,433.36	1,916.97
Loans	638.29	1,473.04	1,890.55	2,110.64	2,529.67	3,039.64	2,642.28	3,151.85	5,534.46	13,862.73	3,570.63
Listed shares	7,241.14	23,631.05	40,562.58	57,396.15	79,649.23	102,467.10	131,656.50	178,481.40	262,244.20	607,464.30	143,250.50
Unlisted shares	625.72	1,615.85	2,425.11	3,222.33	4,183.81	4,369.95	5,815.72	7,814.02	12,469.10	38,882.57	7,802.18
Derivatives and instalment warrants	47.04	271.40	486.22	758.93	925.79	1,053.86	1,166.19	1,544.23	1,594.01	1,612.85	927.00
Non-residential real property	204.45	1,799.61	4,833.23	10,180.14	20,038.19	30,893.69	50,951.79	81,514.28	129,362.20	292,527.60	59,269.53
Residential real property	109.41	697.43	2,284.21	5,041.27	9,574.68	17,619.84	28,819.94	38,732.29	57,891.86	90,678.30	24,102.54
Artwork, collectables, metal or jewels	279.83	643.67	710.30	781.36	947.45	1,050.67	1,304.61	1,445.28	1,683.92	3,502.51	1,205.81
Other assets	2,066.72	4,495.27	7,086.18	8,954.05	12,031.54	14,494.31	18,113.23	25,381.03	36,313.09	82,011.07	20,320.05
Overseas shares	62.92	216.25	311.52	490.66	453.09	557.04	1,048.97	1,141.07	2,183.32	8,993.21	1,469.96
Overseas non-residential real property	18.42	46.43	20.62	35.64	56.76	161.03	46.82	140.96	333.77	605.32	140.42
Overseas residential real property	8.27	57.38	82.51	184.68	231.63	120.43	269.24	378.51	307.48	992.65	254.75
Overseas managed investments	25.39	74.28	110.12	162.01	223.11	296.27	229.54	360.87	745.11	4,430.65	629.91
Other overseas assets	152.80	462.23	543.75	840.93	1,004.03	1,383.03	1,617.38	2,227.10	3,908.23	13,430.16	2,440.05
Total assets - mean (\$)	27,938.15	80,564.08	132,015.83	191,555.12	263,874.58	354,901.97	477,136.89	661,120.19	988,953.53	2,306,056.88	526,190.05
Total assets - median (\$)	29,147.00	81,190.00	131,890.00	190,928.50	262,789.00	353,608.00	474,920.00	654,910.50	971,260.00	1,854,316.00	291,529.50
<i>n</i>	<i>7,296</i>	<i>7,465</i>	<i>7,247</i>	<i>7,260</i>	<i>7,065</i>	<i>6,930</i>	<i>7,041</i>	<i>6,884</i>	<i>6,668</i>	<i>6,528</i>	<i>70,384</i>

Panel G - Asset allocation breakdown of Australian SMSF sample for 2010 year ranked by size deciles - mean (\$)

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Listed trusts	568.24	2,646.93	5,505.97	9,173.03	11,522.32	16,243.40	22,183.49	30,210.21	42,752.41	93,303.21	23,157.55
Unlisted trusts	648.07	3,407.06	7,829.26	12,486.81	19,218.42	27,397.77	37,770.85	54,133.41	92,580.05	295,524.10	54,174.15
Insurance policy	14.91	30.05	93.67	145.47	217.12	268.94	277.15	393.77	354.60	1,179.34	294.52
Other managed investments	658.98	2,520.24	5,551.67	8,837.22	13,104.36	15,763.10	22,483.43	29,352.13	44,294.61	98,127.77	23,798.50
Cash and term deposits	14,496.93	35,846.90	51,872.31	68,915.58	85,746.41	108,641.50	140,240.80	185,872.20	273,850.40	571,763.50	152,201.90
Debt securities	50.99	113.37	232.99	445.47	831.96	1,088.36	1,244.67	1,804.22	4,012.19	9,519.39	1,905.19
Loans	578.56	1,338.23	2,013.76	1,714.28	2,264.74	2,307.31	2,855.98	2,903.09	5,768.16	14,011.99	3,536.97
Listed shares	7,105.79	24,242.80	41,280.54	60,767.86	82,954.32	108,879.70	133,635.30	191,645.00	279,644.10	688,989.50	159,969.10
Unlisted shares	639.49	1,823.68	2,341.65	2,916.97	3,305.00	4,310.02	5,568.06	7,531.93	11,523.42	39,023.60	7,779.06
Derivatives and instalment warrants	43.57	229.72	356.44	812.65	1,220.89	1,524.97	1,833.62	2,521.48	2,661.67	1,761.29	1,297.28
Non-residential real property	224.98	1,687.88	4,642.10	9,477.60	20,530.17	34,234.95	54,616.41	85,419.20	131,989.20	292,666.40	62,668.39
Residential real property	165.72	652.86	2,352.84	5,155.91	9,180.06	18,012.55	31,455.56	39,354.89	58,983.55	102,206.90	26,469.88
Artwork, collectables, metal or jewels	231.98	581.14	845.30	1,078.32	1,116.18	1,302.73	1,471.47	2,120.80	1,828.88	4,928.59	1,539.43
Other assets	1,954.90	4,023.97	5,762.02	8,245.42	10,500.56	11,980.48	16,954.05	22,194.97	31,128.48	79,609.49	19,010.63
Overseas shares	87.38	191.90	383.72	522.12	666.76	892.04	1,226.93	1,324.19	2,107.48	10,169.61	1,724.89
Overseas non-residential real property	19.96	61.51	8.16	123.49	77.16	81.63	309.91	1.99	539.34	206.74	142.59
Overseas residential real property	11.88	76.89	198.98	244.88	186.69	132.93	403.94	352.81	404.52	1,345.75	332.43
Overseas managed investments	31.81	63.84	90.81	107.36	138.46	280.67	389.58	255.28	741.94	3,696.30	567.32
Other overseas assets	131.67	401.50	664.22	689.76	1,070.08	1,126.35	1,950.97	2,206.23	3,596.06	12,769.22	2,420.88
Total assets - mean (\$)	27,665.82	79,940.45	132,026.41	191,860.20	263,851.67	354,469.40	476,872.15	659,597.80	988,761.07	2,320,802.68	542,990.65
Total assets - median (\$)	28,383.00	80,000.00	132,127.00	191,221.00	263,052.00	353,254.50	474,489.00	652,745.50	970,365.00	1,837,728.00	304,672.00
<i>n</i>	<i>6,991</i>	<i>6,880</i>	<i>7,236</i>	<i>7,167</i>	<i>7,107</i>	<i>7,158</i>	<i>7,072</i>	<i>7,110</i>	<i>7,072</i>	<i>6,805</i>	<i>70,598</i>

Panel H - Asset allocation breakdown of Australian SMSF sample for all years ranked by size deciles - mean (\$)

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Listed trusts	701.66	3,057.49	6,628.71	10,125.86	14,040.12	19,303.73	25,758.55	36,437.51	52,598.45	110,136.60	27,878.86
Unlisted trusts	798.21	3,606.96	8,052.04	12,456.43	19,000.00	27,397.14	38,866.28	57,408.48	93,246.36	296,148.20	55,698.01
Insurance policy	22.03	93.55	113.40	160.45	232.02	267.43	342.85	373.11	711.61	1,824.65	414.11
Other managed investments	738.56	2,814.73	5,902.86	9,155.91	13,132.45	17,415.56	23,354.46	31,331.97	45,057.69	102,258.00	25,116.21
Cash and term deposits	14,032.80	35,231.95	49,670.77	67,925.62	84,248.15	107,699.20	140,502.50	186,984.90	274,769.30	595,515.10	155,658.00
Debt securities	65.01	177.51	233.27	512.58	705.50	1,043.45	1,401.20	1,917.81	3,418.56	10,614.13	2,008.90
Loans	673.71	1,443.02	1,945.92	1,943.06	2,543.15	2,618.12	2,701.92	2,994.45	5,684.25	14,885.59	3,743.32
Listed shares	7,066.95	23,745.99	41,026.76	58,863.07	81,501.00	106,586.50	134,638.10	187,865.90	275,955.90	675,273.10	159,252.30
Unlisted shares	661.09	1,707.49	2,464.11	3,214.32	3,709.68	4,515.50	5,859.97	7,546.80	12,631.53	38,434.80	8,074.53
Derivatives and instalment warrants	48.41	255.67	440.15	754.11	951.17	1,144.29	1,357.05	1,817.05	1,838.17	1,913.16	1,051.92
Non-residential real property	225.90	1,845.37	4,932.91	10,320.50	20,272.42	31,765.18	51,061.31	79,280.95	125,492.30	276,643.50	60,184.03
Residential real property	144.24	774.58	2,489.22	5,282.34	9,598.03	18,224.34	28,914.89	37,712.11	56,013.87	92,345.42	25,149.90
Artwork, collectables, metal or jewels	240.54	603.70	700.87	865.99	999.22	1,130.06	1,219.08	1,656.65	1,777.80	3,850.34	1,304.43
Other assets	1,975.36	4,155.06	6,192.26	8,345.11	11,062.48	13,082.06	17,208.32	23,385.23	32,739.07	82,436.28	20,058.12
Overseas shares	87.87	216.05	347.69	535.55	555.27	798.47	1,099.12	1,204.61	2,053.97	9,414.06	1,631.27
Overseas non-residential real property	18.34	44.49	29.98	94.66	55.11	128.11	146.22	83.76	326.31	724.81	165.18
Overseas residential real property	17.28	84.53	120.21	218.10	202.20	143.77	311.07	365.21	324.49	1,045.80	283.27
Overseas managed investments	39.80	77.34	100.99	159.43	174.42	296.15	311.91	356.22	931.73	3,886.04	633.40
Other overseas assets	158.91	428.83	588.11	786.04	1,013.86	1,367.90	1,794.02	2,171.70	3,922.04	14,987.57	2,721.90
Total assets - mean (\$)	27,716.65	80,364.31	131,980.22	191,719.13	263,996.24	354,926.96	476,848.82	660,894.41	989,493.40	2,332,337.14	551,027.65
Total assets - median (\$)	28,617.50	80,798.50	131,942.00	191,156.50	263,060.00	353,726.50	474,195.00	654,631.00	971,405.50	1,862,816.00	305,676.50
<i>n</i>	<i>20,942</i>	<i>20,942</i>	<i>20,942</i>	<i>20,942</i>	<i>20,942</i>	<i>20,942</i>	<i>20,942</i>	<i>20,942</i>	<i>20,942</i>	<i>20,942</i>	<i>209,420</i>

Table 3.4: Asset allocation breakdown of SMSF sample between 2008-2010 ranked by investment in growth assets deciles

Panel A - Asset allocation breakdown of Australian SMSF sample for 2008 year ranked by growth assets deciles - mean as a percentage of total assets (mean)

% in growth assets	0-10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	70-80%	80-90%	90-100%	Total
Listed trusts	0.08%	1.65%	2.45%	3.46%	4.89%	5.06%	6.52%	8.08%	8.87%	7.24%	6.13%
Unlisted trusts	0.09%	1.57%	2.74%	3.79%	5.44%	6.75%	8.72%	9.36%	12.83%	16.63%	10.20%
Insurance policy	0.32%	0.32%	0.16%	0.11%	0.11%	0.07%	0.07%	0.08%	0.04%	0.00%	0.08%
Other managed investments	0.06%	0.91%	1.96%	2.11%	2.81%	3.57%	4.38%	5.24%	7.09%	7.26%	5.01%
Cash and term deposits	82.10%	70.18%	62.97%	53.10%	46.52%	37.31%	28.58%	20.09%	11.54%	3.09%	26.84%
Debt securities	1.07%	0.92%	0.75%	1.02%	0.61%	0.69%	0.42%	0.29%	0.16%	0.02%	0.38%
Loans	2.59%	1.82%	1.48%	1.64%	1.03%	0.89%	0.76%	0.42%	0.22%	0.07%	0.71%
Listed shares	0.85%	8.35%	12.47%	17.72%	21.11%	25.82%	29.19%	34.27%	37.15%	41.50%	29.92%
Unlisted shares	0.09%	0.48%	0.58%	1.12%	0.93%	1.20%	1.18%	1.54%	1.72%	2.24%	1.48%
Derivatives and instalment warrants	0.52%	0.28%	0.21%	0.40%	0.35%	0.32%	0.12%	0.13%	0.05%	0.01%	0.16%
Non-residential real property	0.05%	1.45%	3.30%	5.00%	7.23%	8.60%	10.40%	11.43%	12.24%	14.21%	10.01%
Residential real property	0.05%	0.81%	1.65%	1.84%	2.76%	3.92%	4.53%	5.06%	4.98%	6.03%	4.25%
Artwork, collectables, metal or jewels	0.43%	0.35%	0.61%	0.30%	0.34%	0.25%	0.26%	0.22%	0.12%	0.04%	0.20%
Other assets	10.19%	8.78%	7.08%	6.34%	4.28%	3.96%	3.63%	2.80%	2.22%	1.06%	3.57%
Overseas shares	0.00%	0.10%	0.16%	0.21%	0.20%	0.23%	0.33%	0.35%	0.34%	0.39%	0.29%
Overseas non-residential real property	0.00%	0.01%	0.00%	0.00%	0.00%	0.01%	0.01%	0.04%	0.09%	0.04%	0.04%
Overseas residential real property	0.00%	0.00%	0.02%	0.00%	0.03%	0.03%	0.00%	0.03%	0.06%	0.09%	0.04%
Overseas managed investments	0.38%	0.44%	0.16%	0.25%	0.18%	0.22%	0.16%	0.09%	0.04%	0.01%	0.12%
Other overseas assets	1.13%	1.56%	1.26%	1.58%	1.20%	1.07%	0.73%	0.49%	0.25%	0.05%	0.57%
Total assets (%)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total assets - mean (\$)	298,830.50	589,512.50	661,823.40	670,310.70	681,095.80	685,555.00	688,781.40	643,182.50	648,387.10	649,825.00	584,862.40
Total assets - median (\$)	133,514.50	313,138.00	356,420.00	364,239.00	376,422.00	386,942.00	407,492.00	397,990.00	384,454.50	375,008.00	322,249.00
<i>n</i>	<i>13,622</i>	<i>1,703</i>	<i>1,975</i>	<i>2,377</i>	<i>2,928</i>	<i>3,798</i>	<i>5,164</i>	<i>7,090</i>	<i>10,904</i>	<i>18,877</i>	<i>68,438</i>

Panel B - Asset allocation breakdown of Australian SMSF sample for 2009 year ranked by growth assets deciles - mean as a percentage of total assets (mean)

% in growth assets	0-10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	70-80%	80-90%	90-100%	Total
Listed trusts	0.11%	1.38%	2.36%	2.87%	3.85%	5.06%	5.77%	5.80%	6.64%	5.80%	4.73%
Unlisted trusts	0.09%	1.39%	2.49%	3.12%	5.07%	6.65%	7.70%	10.90%	12.48%	19.13%	10.14%
Insurance policy	0.15%	0.71%	0.17%	0.19%	0.14%	0.08%	0.07%	0.05%	0.01%	0.01%	0.09%
Other managed investments	0.06%	0.98%	1.44%	2.19%	3.13%	3.27%	5.02%	4.97%	5.52%	6.33%	4.25%
Cash and term deposits	83.96%	70.72%	64.15%	55.87%	47.48%	37.87%	28.81%	19.92%	11.19%	3.06%	30.00%
Debt securities	0.91%	0.76%	1.36%	0.58%	0.50%	0.62%	0.32%	0.23%	0.14%	0.02%	0.36%
Loans	2.10%	2.26%	1.61%	0.97%	0.79%	0.95%	0.54%	0.36%	0.24%	0.06%	0.68%
Listed shares	0.91%	8.75%	14.28%	19.10%	21.85%	26.09%	29.03%	33.19%	36.78%	36.18%	27.22%
Unlisted shares	0.06%	0.50%	0.61%	0.82%	1.01%	1.42%	1.48%	1.64%	1.87%	2.27%	1.48%
Derivatives and instalment warrants	0.48%	0.65%	0.36%	0.49%	0.29%	0.23%	0.14%	0.08%	0.05%	0.00%	0.18%
Non-residential real property	0.07%	1.20%	2.70%	5.02%	7.58%	8.91%	11.19%	12.76%	15.59%	17.75%	11.26%
Residential real property	0.01%	0.88%	1.06%	1.86%	2.42%	3.50%	4.71%	5.40%	6.08%	7.41%	4.58%
Artwork, collectables, metal or jewels	0.62%	0.41%	0.33%	0.36%	0.30%	0.34%	0.24%	0.18%	0.12%	0.04%	0.23%
Other assets	9.37%	7.82%	5.55%	5.00%	4.47%	3.79%	3.71%	3.50%	2.75%	1.35%	3.86%
Overseas shares	0.01%	0.09%	0.21%	0.21%	0.21%	0.28%	0.23%	0.53%	0.24%	0.38%	0.28%
Overseas non-residential real property	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.09%	0.01%	0.02%	0.04%	0.03%
Overseas residential real property	0.00%	0.04%	0.01%	0.00%	0.01%	0.02%	0.03%	0.06%	0.05%	0.10%	0.05%
Overseas managed investments	0.27%	0.55%	0.06%	0.28%	0.13%	0.22%	0.24%	0.06%	0.02%	0.00%	0.12%
Other overseas assets	0.82%	0.90%	1.25%	1.07%	0.76%	0.68%	0.68%	0.35%	0.22%	0.04%	0.46%
Total assets (%)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total assets - mean (\$)	273,627.10	564,815.40	584,581.90	598,392.30	641,266.20	618,464.00	615,393.00	594,232.80	578,296.70	592,808.10	526,190.00
Total assets - median (\$)	134,806.00	301,639.50	310,465.00	339,203.00	355,271.50	352,688.50	369,547.00	356,204.50	346,288.00	347,524.00	291,529.50
<i>n</i>	15,324	2,070	2,318	2,757	3,456	4,330	5,753	7,606	10,711	16,059	70,384

Panel C - Asset allocation breakdown of Australian SMSF sample for 2010 year ranked by growth assets deciles - mean as a percentage of total assets (mean)

% in growth assets	0-10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	70-80%	80-90%	90-100%	Total
Listed trusts	0.07%	1.08%	1.90%	2.49%	3.16%	3.89%	5.05%	4.98%	6.12%	5.29%	4.26%
Unlisted trusts	0.09%	1.53%	2.73%	3.64%	5.73%	6.67%	8.57%	10.29%	12.82%	16.10%	9.98%
Insurance policy	0.13%	0.34%	0.21%	0.15%	0.02%	0.06%	0.06%	0.04%	0.01%	0.00%	0.05%
Other managed investments	0.05%	0.77%	1.45%	2.71%	2.64%	3.20%	4.63%	5.02%	6.07%	6.11%	4.38%
Cash and term deposits	83.46%	69.34%	63.86%	55.05%	46.59%	37.76%	29.21%	20.51%	11.51%	3.21%	28.03%
Debt securities	0.68%	0.85%	1.06%	0.61%	0.73%	0.54%	0.49%	0.42%	0.14%	0.02%	0.35%
Loans	2.39%	2.21%	1.65%	0.91%	0.81%	0.95%	0.59%	0.29%	0.19%	0.06%	0.65%
Listed shares	0.86%	9.05%	13.95%	17.78%	22.59%	26.57%	28.83%	33.86%	37.20%	40.90%	29.46%
Unlisted shares	0.05%	0.60%	0.76%	0.89%	0.94%	1.58%	1.17%	1.53%	1.55%	2.18%	1.43%
Derivatives and instalment warrants	0.85%	0.78%	0.73%	0.48%	0.33%	0.37%	0.21%	0.08%	0.07%	0.01%	0.24%
Non-residential real property	0.07%	1.44%	2.73%	4.99%	6.74%	9.05%	11.61%	13.68%	15.27%	16.86%	11.54%
Residential real property	0.03%	0.74%	1.50%	2.52%	2.89%	3.93%	5.07%	5.47%	5.91%	7.38%	4.87%
Artwork, collectables, metal or jewels	0.98%	0.70%	0.52%	0.62%	0.35%	0.29%	0.31%	0.20%	0.10%	0.03%	0.28%
Other assets	9.31%	9.00%	5.49%	5.86%	4.82%	3.89%	3.14%	2.58%	2.30%	1.18%	3.50%
Overseas shares	0.01%	0.16%	0.18%	0.16%	0.31%	0.22%	0.25%	0.41%	0.37%	0.46%	0.32%
Overseas non-residential real property	0.00%	0.00%	0.01%	0.01%	0.02%	0.03%	0.00%	0.01%	0.02%	0.06%	0.03%
Overseas residential real property	0.00%	0.02%	0.01%	0.02%	0.02%	0.02%	0.04%	0.05%	0.09%	0.10%	0.06%
Overseas managed investments	0.35%	0.34%	0.23%	0.05%	0.11%	0.23%	0.12%	0.08%	0.04%	0.00%	0.10%
Other overseas assets	0.61%	1.06%	1.03%	1.08%	1.19%	0.76%	0.65%	0.50%	0.22%	0.04%	0.45%
Total assets (%)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total assets - mean (\$)	275,986.30	535,675.80	587,770.70	608,664.20	615,120.80	631,646.60	622,864.50	624,766.40	595,172.90	636,959.50	542,990.70
Total assets - median (\$)	137,130.00	294,208.00	333,714.00	334,037.00	349,621.00	382,581.00	372,198.00	369,366.00	364,178.00	369,696.00	304,672.00
n	15,355	1,953	2,149	2,455	3,161	3,953	5,247	7,149	11,179	17,997	70,598

Panel D - Asset allocation breakdown of Australian SMSF sample for all years ranked by growth assets deciles - mean as a percentage of total assets (mean)

% in growth assets	0-10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	70-80%	80-90%	90-100%	Total
Listed trusts	0.09%	1.37%	2.24%	2.95%	3.97%	4.68%	5.80%	6.30%	7.26%	6.16%	5.06%
Unlisted trusts	0.09%	1.49%	2.65%	3.51%	5.40%	6.69%	8.33%	10.18%	12.72%	17.16%	10.11%
Insurance policy	0.20%	0.47%	0.18%	0.15%	0.09%	0.07%	0.07%	0.06%	0.02%	0.01%	0.08%
Other managed investments	0.05%	0.89%	1.62%	2.32%	2.87%	3.35%	4.68%	5.08%	6.26%	6.60%	4.56%
Cash and term deposits	83.18%	70.11%	63.66%	54.68%	46.89%	37.65%	28.86%	20.17%	11.42%	3.13%	28.25%
Debt securities	0.88%	0.84%	1.06%	0.74%	0.61%	0.62%	0.41%	0.31%	0.15%	0.02%	0.36%
Loans	2.36%	2.11%	1.58%	1.18%	0.87%	0.93%	0.63%	0.36%	0.21%	0.06%	0.68%
Listed shares	0.87%	8.72%	13.57%	18.22%	21.84%	26.15%	29.02%	33.77%	37.05%	39.77%	28.90%
Unlisted shares	0.07%	0.53%	0.65%	0.94%	0.96%	1.40%	1.28%	1.57%	1.71%	2.23%	1.47%
Derivatives and instalment warrants	0.62%	0.58%	0.43%	0.45%	0.32%	0.31%	0.16%	0.09%	0.06%	0.01%	0.19%
Non-residential real property	0.06%	1.36%	2.91%	5.00%	7.20%	8.85%	11.05%	12.62%	14.30%	16.14%	10.92%
Residential real property	0.03%	0.81%	1.40%	2.06%	2.68%	3.78%	4.76%	5.31%	5.63%	6.89%	4.56%
Artwork, collectables, metal or jewels	0.68%	0.48%	0.48%	0.42%	0.33%	0.29%	0.27%	0.20%	0.11%	0.04%	0.24%
Other assets	9.62%	8.50%	6.04%	5.72%	4.52%	3.88%	3.50%	2.96%	2.41%	1.18%	3.64%
Overseas shares	0.01%	0.12%	0.18%	0.19%	0.24%	0.25%	0.27%	0.43%	0.32%	0.41%	0.30%
Overseas non-residential real property	0.00%	0.00%	0.00%	0.00%	0.01%	0.02%	0.04%	0.02%	0.05%	0.05%	0.03%
Overseas residential real property	0.00%	0.02%	0.02%	0.01%	0.02%	0.02%	0.02%	0.05%	0.07%	0.10%	0.05%
Overseas managed investments	0.33%	0.45%	0.14%	0.20%	0.14%	0.22%	0.17%	0.08%	0.03%	0.00%	0.11%
Other overseas assets	0.85%	1.16%	1.18%	1.24%	1.04%	0.83%	0.69%	0.45%	0.23%	0.04%	0.49%
Total assets (%)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total assets - mean (\$)	282,194.49	562,221.88	609,326.46	624,241.17	644,825.67	643,869.37	641,264.07	620,112.33	607,354.57	628,152.77	551,027.65
Total assets - median (\$)	135,541.00	302,789.50	330,259.00	345,511.00	360,802.00	375,010.00	381,529.00	372,886.00	363,449.00	365,155.00	305,676.50
<i>n</i>	44,301	5,726	6,442	7,589	9,545	12,081	16,164	21,845	32,794	52,933	209,420

Panel E - Asset allocation breakdown of Australian SMSF sample for 2008 year ranked by growth assets deciles - mean (\$)

% in growth assets	0-10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	70-80%	80-90%	90-100%	Total
Listed trusts	251.86	9,730.28	16,197.55	23,199.04	33,274.32	34,712.06	44,937.02	52,001.07	57,518.28	47,066.22	35,839.59
Unlisted trusts	268.37	9,258.37	18,135.72	25,436.28	37,056.65	46,283.20	60,070.60	60,179.64	83,160.45	108,073.20	59,670.75
Insurance policy	966.77	1,873.53	1,090.60	737.46	727.57	499.06	488.88	497.91	265.35	32.34	494.63
Other managed investments	181.63	5,339.79	12,977.06	14,134.67	19,171.11	24,452.42	30,202.77	33,707.34	45,991.13	47,170.25	29,321.01
Cash and term deposits	245,330.80	413,748.80	416,747.40	355,955.30	316,833.20	255,796.30	196,820.30	129,226.90	74,836.54	20,095.04	156,971.90
Debt securities	3,202.56	5,434.05	4,963.00	6,837.29	4,154.24	4,753.46	2,884.19	1,882.64	1,008.15	153.24	2,210.44
Loans	7,733.89	10,742.35	9,775.31	10,990.41	7,044.79	6,130.68	5,230.03	2,669.73	1,421.15	449.62	4,133.77
Listed shares	2,544.81	49,200.55	82,519.81	118,769.00	143,763.30	177,033.50	201,077.70	220,407.00	240,854.10	269,651.20	174,969.80
Unlisted shares	264.40	2,856.95	3,814.17	7,504.87	6,352.58	8,236.19	8,110.67	9,896.17	11,166.10	14,573.83	8,659.42
Derivatives and instalment warrants	1,550.24	1,671.57	1,392.32	2,682.61	2,361.46	2,205.58	812.38	805.13	354.80	69.34	927.30
Non-residential real property	148.23	8,566.61	21,810.00	33,499.79	49,209.73	58,970.11	71,615.59	73,536.65	79,393.94	92,365.04	58,561.77
Residential real property	149.71	4,797.35	10,930.60	12,334.36	18,767.95	26,883.04	31,222.08	32,544.00	32,279.96	39,181.00	24,865.40
Artwork, collectables, metal or jewels	1,297.08	2,056.90	4,035.54	2,007.69	2,303.63	1,715.98	1,797.14	1,421.38	766.13	250.79	1,163.43
Other assets	30,440.01	51,779.08	46,879.56	42,519.33	29,124.80	27,146.83	24,986.67	17,987.47	14,368.31	6,894.53	20,869.29
Overseas shares	9.33	601.87	1,040.19	1,406.43	1,366.67	1,604.06	2,282.39	2,240.58	2,181.23	2,557.87	1,700.58
Overseas non-residential real property	-	59.89	-	12.62	-	57.25	98.34	239.45	611.83	286.90	213.95
Overseas residential real property	0.73	-	120.05	7.57	183.59	208.54	20.91	162.03	378.22	579.91	261.88
Overseas managed investments	1,122.68	2,621.50	1,042.16	1,688.86	1,201.29	1,508.48	1,081.17	596.69	238.67	40.64	705.17
Other overseas assets	3,367.36	9,173.00	8,352.35	10,587.12	8,198.92	7,358.22	5,042.52	3,180.80	1,592.68	334.04	3,322.28
Total assets - mean (\$)	298,830.46	589,512.43	661,823.39	670,310.71	681,095.79	685,554.95	688,781.35	643,182.58	648,387.03	649,824.99	584,862.35
Total assets - median (\$)	133,514.50	313,138.00	356,420.00	364,239.00	376,422.00	386,942.00	407,492.00	397,990.00	384,454.50	375,008.00	322,249.00
<i>n</i>	<i>13,622</i>	<i>1,703</i>	<i>1,975</i>	<i>2,377</i>	<i>2,928</i>	<i>3,798</i>	<i>5,164</i>	<i>7,090</i>	<i>10,904</i>	<i>18,877</i>	<i>68,438</i>

Panel F - Asset allocation breakdown of Australian SMSF sample for 2009 year ranked by growth assets deciles - mean (\$)

% in growth assets	0-10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	70-80%	80-90%	90-100%	Total
Listed trusts	314.04	7,818.56	13,773.82	17,181.32	24,662.68	31,277.48	35,495.98	34,460.79	38,391.18	34,388.24	24,873.90
Unlisted trusts	258.58	7,824.47	14,536.31	18,681.93	32,528.56	41,122.71	47,373.84	64,791.39	72,182.67	113,432.30	53,363.60
Insurance policy	407.47	4,033.11	1,012.78	1,152.38	929.32	523.72	408.33	313.45	72.15	60.80	455.77
Other managed investments	153.63	5,532.35	8,431.20	13,076.54	20,051.07	20,242.70	30,894.67	29,527.69	31,899.55	37,529.72	22,349.39
Cash and term deposits	229,734.70	399,432.10	374,981.80	334,293.40	304,478.40	234,231.30	177,297.60	118,371.60	64,725.13	18,162.80	157,847.10
Debt securities	2,489.35	4,294.48	7,960.78	3,451.87	3,234.33	3,810.43	1,982.17	1,361.64	795.43	122.08	1,916.97
Loans	5,752.61	12,753.96	9,428.67	5,809.45	5,039.64	5,876.88	3,305.44	2,149.70	1,371.36	371.76	3,570.63
Listed shares	2,493.73	49,447.34	83,472.51	114,297.70	140,106.10	161,374.40	178,666.30	197,233.60	212,691.00	214,474.40	143,250.50
Unlisted shares	152.14	2,830.32	3,544.91	4,899.50	6,478.09	8,785.58	9,113.54	9,765.71	10,790.88	13,482.42	7,802.18
Derivatives and instalment warrants	1,320.13	3,674.49	2,103.78	2,902.65	1,833.90	1,427.72	886.59	479.92	266.07	25.54	927.00
Non-residential real property	188.11	6,777.08	15,799.59	30,065.21	48,619.68	55,087.28	68,863.53	75,798.80	90,173.10	105,243.30	59,269.53
Residential real property	40.36	4,969.18	6,221.65	11,159.41	15,522.39	21,672.66	28,983.80	32,062.07	35,175.07	43,930.78	24,102.54
Artwork, collectables, metal or jewels	1,696.74	2,310.07	1,917.46	2,166.33	1,913.12	2,085.00	1,505.25	1,062.80	701.86	234.69	1,205.81
Other assets	25,631.19	44,160.49	32,447.05	29,902.40	28,684.01	23,466.66	22,806.24	20,790.95	15,882.80	7,980.91	20,320.05
Overseas shares	18.58	516.42	1,253.65	1,259.39	1,316.31	1,735.51	1,420.40	3,163.87	1,388.50	2,276.46	1,469.96
Overseas non-residential real property	6.44	-	-	15.49	44.85	69.45	574.86	71.80	131.91	250.33	140.42
Overseas residential real property	4.85	249.93	75.86	24.98	66.40	145.22	168.59	360.34	278.78	593.99	254.75
Overseas managed investments	731.20	3,111.89	324.89	1,660.94	863.14	1,344.32	1,451.78	382.16	93.22	18.40	629.91
Other overseas assets	2,233.28	5,079.13	7,295.19	6,391.39	4,894.23	4,184.94	4,194.04	2,084.41	1,286.03	229.17	2,440.05
Total assets - mean (\$)	273,627.13	564,815.38	584,581.91	598,392.27	641,266.21	618,463.96	615,392.95	594,232.68	578,296.69	592,808.08	526,190.05
Total assets - median (\$)	134,806.00	301,639.50	310,465.00	339,203.00	355,271.50	352,688.50	369,547.00	356,204.50	346,288.00	347,524.00	291,529.50
<i>n</i>	<i>15,324</i>	<i>2,070</i>	<i>2,318</i>	<i>2,757</i>	<i>3,456</i>	<i>4,330</i>	<i>5,753</i>	<i>7,606</i>	<i>10,711</i>	<i>16,059</i>	<i>70,384</i>

Panel G - Asset allocation breakdown of Australian SMSF sample for 2010 year ranked by growth assets deciles - mean (\$)

% in growth assets	0-10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	70-80%	80-90%	90-100%	Total
Listed trusts	206.09	5,762.59	11,188.80	15,129.63	19,446.97	24,550.02	31,455.85	31,098.38	36,410.80	33,691.42	23,157.55
Unlisted trusts	261.68	8,175.48	16,052.08	22,156.25	35,224.46	42,156.98	53,398.03	64,302.94	76,280.23	102,522.90	54,174.15
Insurance policy	352.50	1,802.08	1,237.36	885.19	118.73	406.14	381.52	255.94	61.24	29.51	294.52
Other managed investments	131.44	4,112.11	8,523.22	16,494.03	16,239.32	20,221.41	28,832.78	31,373.30	36,131.27	38,924.03	23,798.50
Cash and term deposits	230,338.40	371,450.60	375,350.40	335,068.20	286,562.00	238,497.10	181,925.20	128,163.90	68,518.62	20,462.55	152,201.90
Debt securities	1,869.61	4,539.40	6,212.74	3,718.17	4,490.47	3,405.97	3,075.00	2,607.59	842.45	144.33	1,905.19
Loans	6,606.51	11,862.40	9,709.35	5,540.54	4,977.86	5,984.65	3,680.90	1,814.04	1,115.99	359.80	3,536.97
Listed shares	2,374.85	48,487.79	81,984.50	108,243.40	138,952.20	167,806.80	179,576.40	211,519.10	221,405.90	260,507.80	159,969.10
Unlisted shares	150.80	3,212.30	4,495.66	5,394.69	5,799.93	9,987.00	7,263.56	9,564.50	9,214.62	13,912.36	7,779.06
Derivatives and instalment warrants	2,332.10	4,175.27	4,277.30	2,917.38	2,040.06	2,332.25	1,335.84	480.81	387.91	45.36	1,297.28
Non-residential real property	206.60	7,690.88	16,068.03	30,365.93	41,485.92	57,186.95	72,289.54	85,472.60	90,907.83	107,417.30	62,668.39
Residential real property	69.00	3,969.74	8,818.00	15,339.05	17,777.59	24,810.05	31,600.97	34,155.21	35,192.95	46,986.96	26,469.88
Artwork, collectables, metal or jewels	2,715.71	3,749.29	3,051.74	3,782.09	2,154.99	1,815.60	1,912.55	1,269.26	618.14	211.53	1,539.43
Other assets	25,700.46	48,225.93	32,256.60	35,650.30	29,660.21	24,550.47	19,531.40	16,115.90	13,702.59	7,488.87	19,010.63
Overseas shares	20.68	847.84	1,045.83	948.11	1,893.36	1,417.46	1,568.84	2,546.80	2,175.39	2,938.26	1,724.89
Overseas non-residential real property	0.05	-	55.75	61.43	109.70	206.76	7.24	68.49	122.14	374.40	142.59
Overseas residential real property	3.60	107.63	85.58	146.80	140.88	96.12	272.33	339.29	557.65	652.63	332.43
Overseas managed investments	961.56	1,803.75	1,332.54	274.62	707.32	1,438.27	728.48	471.18	244.73	21.02	567.32
Other overseas assets	1,684.66	5,700.75	6,025.22	6,548.42	7,338.79	4,776.58	4,028.05	3,147.09	1,282.50	268.53	2,420.88
Total assets - mean (\$)	275,986.31	535,675.83	587,770.71	608,664.23	615,120.76	631,646.58	622,864.49	624,766.32	595,172.95	636,959.56	542,990.65
Total assets - median (\$)	137,130.00	294,208.00	333,714.00	334,037.00	349,621.00	382,581.00	372,198.00	369,366.00	364,178.00	369,696.00	304,672.00
<i>n</i>	<i>15,355</i>	<i>1,953</i>	<i>2,149</i>	<i>2,455</i>	<i>3,161</i>	<i>3,953</i>	<i>5,247</i>	<i>7,149</i>	<i>11,179</i>	<i>17,997</i>	<i>70,598</i>

Panel H - Asset allocation breakdown of Australian SMSF sample for all years ranked by growth assets deciles - mean (\$)

% in growth assets	0-10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	70-80%	80-90%	90-100%	Total
Listed trusts	257.51	7,685.90	13,654.55	18,402.46	25,577.09	30,155.96	37,200.69	39,053.27	44,075.85	38,672.55	27,878.86
Unlisted trusts	262.67	8,370.66	16,145.47	21,921.43	34,810.38	43,083.48	53,385.66	63,134.75	77,229.58	107,812.00	55,698.01
Insurance policy	560.39	2,629.87	1,111.56	935.98	598.99	477.50	425.36	354.50	132.67	40.01	414.11
Other managed investments	154.55	4,990.67	9,855.58	14,513.50	18,518.81	21,559.17	30,004.32	31,488.23	38,027.53	41,441.79	25,116.21
Cash and term deposits	234,739.50	394,146.30	387,909.30	341,328.90	302,335.00	242,406.70	185,036.80	125,099.40	69,380.32	19,633.78	155,658.00
Debt securities	2,493.85	4,716.94	6,458.58	4,598.39	3,932.51	3,974.55	2,625.09	1,938.48	882.19	140.76	2,008.90
Loans	6,657.79	11,851.59	9,628.58	7,345.22	5,634.28	5,991.93	4,042.18	2,208.63	1,300.86	395.46	3,743.32
Listed shares	2,468.23	49,046.66	82,684.04	113,739.60	140,845.80	168,402.00	186,121.60	209,429.90	225,026.00	249,802.70	159,252.30
Unlisted shares	186.20	2,968.53	3,944.62	5,875.74	6,215.00	9,005.98	8,192.62	9,742.21	10,378.31	14,017.82	8,074.53
Derivatives and instalment warrants	1,741.64	3,249.59	2,610.73	2,838.49	2,064.01	1,968.23	1,008.71	585.76	337.11	47.90	1,051.92
Non-residential real property	182.26	7,620.99	17,731.82	31,238.26	46,438.21	56,994.99	70,854.86	78,230.45	86,839.49	101,389.80	60,184.03
Residential real property	83.91	4,577.19	8,531.45	12,879.51	17,264.84	24,337.26	30,548.43	32,903.49	34,218.54	43,276.00	25,149.90
Artwork, collectables, metal or jewels	1,927.03	2,725.65	2,945.21	2,639.33	2,113.01	1,880.84	1,730.72	1,246.75	694.69	232.56	1,304.43
Other assets	27,133.85	47,813.00	36,808.26	35,713.64	29,142.51	24,978.25	22,439.79	18,351.09	14,636.03	7,426.19	20,058.12
Overseas shares	16.46	654.87	1,118.88	1,204.75	1,522.86	1,590.11	1,743.97	2,662.26	1,920.32	2,601.83	1,631.27
Overseas non-residential real property	2.24	17.81	18.60	29.45	52.57	110.55	238.37	125.13	288.15	305.55	165.18
Overseas residential real property	3.15	127.06	92.65	58.94	127.02	149.06	155.09	289.09	406.91	608.91	283.27
Overseas managed investments	931.42	2,519.87	880.94	1,221.22	915.27	1,426.67	1,098.59	480.92	193.23	27.22	633.40
Other overseas assets	2,391.84	6,508.73	7,195.65	7,756.36	6,717.53	5,376.14	4,411.23	2,788.03	1,386.79	279.95	2,721.90
Total assets - mean (\$)	282,194.49	562,221.88	609,326.46	624,241.17	644,825.67	643,869.37	641,264.07	620,112.33	607,354.57	628,152.77	551,027.65
Total assets - median (\$)	135,541.00	302,789.50	330,259.00	345,511.00	360,802.00	375,010.00	381,529.00	372,886.00	363,449.00	365,155.00	305,676.50
<i>n</i>	<i>44,301</i>	<i>5,726</i>	<i>6,442</i>	<i>7,589</i>	<i>9,545</i>	<i>12,081</i>	<i>16,164</i>	<i>21,845</i>	<i>32,794</i>	<i>52,933</i>	<i>209,420</i>

Table 3.5: Breakdown of income, expenses and tax for SMSF sample as a percentage of assets (mean), 2008-2010 ranked by total assets size

Panel A – Breakdown of income, expenses and tax for 2008 year ranked by total assets size deciles - mean as a percentage of total assets (mean)

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Income											
Capital gains	1.39%	1.80%	2.07%	2.12%	2.20%	2.31%	2.11%	2.03%	1.94%	2.06%	2.06%
Rent	0.13%	0.17%	0.31%	0.42%	0.54%	0.61%	0.75%	0.76%	0.81%	0.70%	0.69%
Interest received	2.22%	1.68%	1.54%	1.46%	1.37%	1.31%	1.33%	1.29%	1.35%	1.39%	1.37%
Foreign income	0.09%	0.10%	0.13%	0.14%	0.15%	0.17%	0.16%	0.18%	0.18%	0.17%	0.17%
Dividends received	1.07%	1.10%	1.14%	1.18%	1.16%	1.19%	1.10%	1.12%	1.12%	1.11%	1.12%
Concessional contributions received	26.65%	20.54%	13.09%	14.10%	10.81%	10.00%	9.40%	8.18%	6.83%	4.24%	6.98%
Other income	-0.26%	-0.52%	-0.52%	-0.55%	-0.58%	-0.60%	-0.45%	-0.33%	-0.27%	-0.23%	-0.32%
<i>Total income</i>	<i>31.29%</i>	<i>24.88%</i>	<i>17.76%</i>	<i>18.87%</i>	<i>15.64%</i>	<i>14.98%</i>	<i>14.41%</i>	<i>13.23%</i>	<i>11.96%</i>	<i>9.44%</i>	<i>12.07%</i>
Less: expenses											
Interest paid	0.12%	0.10%	0.08%	0.08%	0.05%	0.06%	0.05%	0.04%	0.02%	0.01%	0.03%
Depreciation	0.05%	0.04%	0.03%	0.03%	0.03%	0.04%	0.05%	0.05%	0.05%	0.03%	0.04%
Insurance premiums paid	1.03%	0.54%	0.40%	0.31%	0.23%	0.18%	0.15%	0.12%	0.08%	0.04%	0.11%
Audit fees	0.51%	0.25%	0.17%	0.13%	0.10%	0.09%	0.06%	0.05%	0.04%	0.02%	0.05%
Investment expenses	0.44%	0.35%	0.32%	0.27%	0.26%	0.28%	0.27%	0.25%	0.22%	0.15%	0.21%
Management & administration expenses	2.53%	1.25%	0.95%	0.80%	0.68%	0.59%	0.49%	0.41%	0.33%	0.20%	0.37%
Other expenses	0.90%	0.39%	0.29%	0.21%	0.18%	0.15%	0.12%	0.12%	0.09%	0.05%	0.10%
<i>Total expenses (mean)</i>	<i>5.58%</i>	<i>2.93%</i>	<i>2.25%</i>	<i>1.85%</i>	<i>1.53%</i>	<i>1.38%</i>	<i>1.19%</i>	<i>1.03%</i>	<i>0.83%</i>	<i>0.50%</i>	<i>0.90%</i>
<i>Total expenses (median)</i>	<i>2.33%</i>	<i>1.60%</i>	<i>1.35%</i>	<i>1.16%</i>	<i>0.98%</i>	<i>0.88%</i>	<i>0.76%</i>	<i>0.67%</i>	<i>0.55%</i>	<i>0.33%</i>	<i>0.45%</i>
Net income before tax	25.71%	21.96%	15.51%	17.02%	14.11%	13.60%	13.22%	12.20%	11.13%	8.94%	11.16%
Less: income tax											
Tax on contributions	4.00%	3.08%	1.96%	2.11%	1.62%	1.50%	1.41%	1.23%	1.02%	0.64%	1.05%
Tax on investment income	0.31%	0.49%	0.61%	0.67%	0.71%	0.75%	0.77%	0.79%	0.82%	0.88%	0.80%
Less: franking credits	-0.41%	-0.43%	-0.45%	-0.47%	-0.45%	-0.46%	-0.43%	-0.44%	-0.44%	-0.44%	-0.44%
<i>Net income tax expense</i>	<i>3.90%</i>	<i>3.14%</i>	<i>2.12%</i>	<i>2.32%</i>	<i>1.88%</i>	<i>1.79%</i>	<i>1.75%</i>	<i>1.57%</i>	<i>1.40%</i>	<i>1.08%</i>	<i>1.40%</i>
Net income after tax	21.81%	18.82%	13.38%	14.71%	12.23%	11.81%	11.47%	10.62%	9.73%	7.86%	9.76%
Net income after tax (excluding contributions)	-0.84%	1.36%	2.25%	2.72%	3.04%	3.31%	3.49%	3.68%	3.92%	4.26%	3.83%
<i>n</i>	<i>6,655</i>	<i>6,597</i>	<i>6,459</i>	<i>6,515</i>	<i>6,770</i>	<i>6,854</i>	<i>6,829</i>	<i>6,948</i>	<i>7,202</i>	<i>7,609</i>	<i>68,438</i>

Panel B - Breakdown of income, expenses and tax for 2009 year ranked by total assets size deciles - mean as a percentage of total assets (mean)

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Income											
Capital gains	0.48%	0.50%	0.54%	0.54%	0.55%	0.55%	0.50%	0.57%	0.51%	0.53%	0.53%
Rent	0.10%	0.13%	0.25%	0.37%	0.53%	0.61%	0.79%	0.88%	0.92%	0.84%	0.78%
Interest received	1.79%	1.54%	1.45%	1.45%	1.34%	1.38%	1.33%	1.33%	1.36%	1.43%	1.39%
Foreign income	0.08%	0.12%	0.18%	0.20%	0.22%	0.21%	0.22%	0.21%	0.22%	0.21%	0.21%
Dividends received	1.20%	1.30%	1.36%	1.34%	1.39%	1.30%	1.25%	1.22%	1.24%	1.23%	1.25%
Concessional contributions received	26.05%	18.49%	12.30%	13.13%	10.53%	9.62%	8.83%	7.98%	6.90%	4.29%	7.13%
Other income	0.26%	0.23%	0.32%	0.34%	0.38%	0.38%	0.44%	0.46%	0.49%	0.67%	0.53%
<i>Total income</i>	<i>29.96%</i>	<i>22.31%</i>	<i>16.41%</i>	<i>17.37%</i>	<i>14.94%</i>	<i>14.05%</i>	<i>13.35%</i>	<i>12.66%</i>	<i>11.64%</i>	<i>9.21%</i>	<i>11.82%</i>
Less: expenses											
Interest paid	0.18%	0.16%	0.13%	0.10%	0.09%	0.08%	0.07%	0.05%	0.04%	0.02%	0.05%
Depreciation	0.14%	0.04%	0.03%	0.03%	0.03%	0.04%	0.05%	0.06%	0.05%	0.04%	0.04%
Insurance premiums paid	1.30%	0.62%	0.50%	0.36%	0.27%	0.20%	0.17%	0.13%	0.10%	0.05%	0.14%
Audit fees	0.66%	0.31%	0.22%	0.17%	0.13%	0.10%	0.08%	0.06%	0.05%	0.02%	0.07%
Investment expenses	0.50%	0.30%	0.28%	0.26%	0.29%	0.26%	0.27%	0.25%	0.23%	0.16%	0.22%
Management & administration expenses	2.94%	1.41%	1.08%	0.88%	0.72%	0.62%	0.52%	0.42%	0.34%	0.20%	0.41%
Other expenses	0.99%	0.41%	0.30%	0.21%	0.17%	0.15%	0.14%	0.12%	0.09%	0.06%	0.11%
<i>Total expenses (mean)</i>	<i>6.70%</i>	<i>3.25%</i>	<i>2.53%</i>	<i>2.01%</i>	<i>1.69%</i>	<i>1.45%</i>	<i>1.31%</i>	<i>1.09%</i>	<i>0.90%</i>	<i>0.55%</i>	<i>1.04%</i>
<i>Total expenses (median)</i>	<i>3.04%</i>	<i>1.89%</i>	<i>1.58%</i>	<i>1.29%</i>	<i>1.13%</i>	<i>0.98%</i>	<i>0.88%</i>	<i>0.73%</i>	<i>0.61%</i>	<i>0.37%</i>	<i>0.55%</i>
Net income before tax	23.26%	19.07%	13.87%	15.35%	13.24%	12.60%	12.04%	11.56%	10.74%	8.66%	10.78%
Less: income tax											
Tax on contributions	3.91%	2.77%	1.85%	1.97%	1.58%	1.44%	1.32%	1.20%	1.04%	0.64%	1.07%
Tax on investment income	0.10%	0.33%	0.44%	0.50%	0.56%	0.59%	0.61%	0.66%	0.69%	0.76%	0.65%
Less: franking credits	-0.46%	-0.51%	-0.53%	-0.53%	-0.54%	-0.51%	-0.49%	-0.48%	-0.49%	-0.48%	-0.49%
<i>Net income tax expense</i>	<i>3.54%</i>	<i>2.59%</i>	<i>1.75%</i>	<i>1.95%</i>	<i>1.60%</i>	<i>1.52%</i>	<i>1.44%</i>	<i>1.38%</i>	<i>1.24%</i>	<i>0.93%</i>	<i>1.23%</i>
Net income after tax	19.72%	16.48%	12.12%	13.41%	11.64%	11.08%	10.60%	10.19%	9.50%	7.73%	9.55%
Net income after tax (excluding contributions)	-2.42%	0.76%	1.66%	2.24%	2.69%	2.90%	3.09%	3.40%	3.63%	4.08%	3.49%
<i>n</i>	<i>7,296</i>	<i>7,465</i>	<i>7,247</i>	<i>7,260</i>	<i>7,065</i>	<i>6,930</i>	<i>7,041</i>	<i>6,884</i>	<i>6,668</i>	<i>6,528</i>	<i>70,384</i>

Panel C - Breakdown of income, expenses and tax for 2010 year ranked by total assets size deciles - mean as a percentage of total assets (mean)

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Income											
Capital gains	0.82%	0.91%	0.89%	0.83%	0.82%	0.75%	0.70%	0.64%	0.68%	0.74%	0.72%
Rent	0.06%	0.14%	0.21%	0.34%	0.52%	0.66%	0.80%	0.88%	0.93%	0.82%	0.78%
Interest received	1.35%	1.13%	1.07%	1.02%	0.93%	0.92%	0.94%	0.90%	0.97%	0.94%	0.95%
Foreign income	0.04%	0.04%	0.06%	0.07%	0.08%	0.08%	0.08%	0.08%	0.09%	0.11%	0.09%
Dividends received	0.84%	0.97%	1.02%	1.07%	1.10%	1.10%	1.01%	1.06%	1.03%	1.04%	1.04%
Concessional contributions received	28.28%	14.00%	9.39%	8.06%	7.18%	6.30%	5.54%	4.87%	4.01%	2.28%	4.35%
Other income	0.05%	-0.16%	-0.09%	0.02%	0.10%	0.09%	0.16%	0.26%	0.27%	0.39%	0.26%
<i>Total income</i>	<i>31.44%</i>	<i>17.05%</i>	<i>12.56%</i>	<i>11.41%</i>	<i>10.72%</i>	<i>9.91%</i>	<i>9.23%</i>	<i>8.69%</i>	<i>7.96%</i>	<i>6.32%</i>	<i>8.20%</i>
Less: expenses											
Interest paid	0.09%	0.07%	0.10%	0.10%	0.09%	0.10%	0.12%	0.08%	0.06%	0.02%	0.06%
Depreciation	0.05%	0.03%	0.02%	0.04%	0.03%	0.05%	0.06%	0.06%	0.05%	0.04%	0.05%
Insurance premiums paid	1.59%	0.71%	0.55%	0.42%	0.30%	0.25%	0.19%	0.16%	0.12%	0.06%	0.16%
Audit fees	0.76%	0.35%	0.24%	0.18%	0.14%	0.12%	0.09%	0.07%	0.05%	0.03%	0.07%
Investment expenses	0.49%	0.26%	0.25%	0.27%	0.29%	0.29%	0.29%	0.26%	0.26%	0.16%	0.23%
Management & administration expenses	3.06%	1.43%	1.07%	0.89%	0.74%	0.62%	0.53%	0.43%	0.34%	0.20%	0.41%
Other expenses	0.91%	0.44%	0.24%	0.20%	0.17%	0.15%	0.13%	0.11%	0.08%	0.05%	0.10%
<i>Total expenses (mean)</i>	<i>6.94%</i>	<i>3.29%</i>	<i>2.47%</i>	<i>2.10%</i>	<i>1.75%</i>	<i>1.57%</i>	<i>1.40%</i>	<i>1.18%</i>	<i>0.97%</i>	<i>0.55%</i>	<i>1.07%</i>
<i>Total expenses (median)</i>	<i>3.25%</i>	<i>2.01%</i>	<i>1.60%</i>	<i>1.39%</i>	<i>1.16%</i>	<i>1.02%</i>	<i>0.90%</i>	<i>0.76%</i>	<i>0.65%</i>	<i>0.39%</i>	<i>0.57%</i>
Net income before tax	24.50%	13.75%	10.09%	9.30%	8.97%	8.33%	7.82%	7.51%	7.00%	5.77%	7.13%
Less: income tax											
Tax on contributions	4.24%	2.10%	1.41%	1.21%	1.08%	0.95%	0.83%	0.73%	0.60%	0.34%	0.65%
Tax on investment income	-0.01%	0.23%	0.31%	0.37%	0.43%	0.45%	0.47%	0.51%	0.56%	0.63%	0.52%
Less: franking credits	-0.31%	-0.37%	-0.38%	-0.40%	-0.42%	-0.41%	-0.38%	-0.40%	-0.39%	-0.40%	-0.40%
<i>Net income tax expense</i>	<i>3.93%</i>	<i>1.96%</i>	<i>1.34%</i>	<i>1.17%</i>	<i>1.09%</i>	<i>0.98%</i>	<i>0.92%</i>	<i>0.84%</i>	<i>0.77%</i>	<i>0.57%</i>	<i>0.77%</i>
Net income after tax	20.57%	11.79%	8.75%	8.13%	7.89%	7.35%	6.91%	6.67%	6.22%	5.20%	6.36%
Net income after tax (excluding contributions)	-3.47%	-0.10%	0.76%	1.28%	1.78%	2.00%	2.20%	2.52%	2.82%	3.26%	2.66%
<i>n</i>	6,991	6,880	7,236	7,167	7,107	7,158	7,072	7,110	7,072	6,805	70,598

Panel D - Breakdown of income, expenses and tax for all years ranked by total assets size deciles - mean as a percentage of total assets (mean)

Decile band	Observations	1	2	3	4	5	6	7	8	9	10	Total
Income												
Capital gains	48,234	0.88%	1.04%	1.13%	1.12%	1.17%	1.19%	1.09%	1.08%	1.06%	1.16%	1.12%
Rent	32,560	0.10%	0.15%	0.25%	0.37%	0.53%	0.62%	0.78%	0.84%	0.89%	0.78%	0.75%
Interest received	185,190	1.78%	1.45%	1.35%	1.30%	1.21%	1.20%	1.19%	1.17%	1.22%	1.26%	1.24%
Foreign income	72,899	0.07%	0.09%	0.12%	0.14%	0.15%	0.15%	0.15%	0.15%	0.16%	0.16%	0.16%
Dividends received	120,642	1.04%	1.13%	1.18%	1.20%	1.21%	1.19%	1.12%	1.13%	1.13%	1.13%	1.14%
Concessional contributions received	155,094	26.98%	17.64%	11.53%	11.66%	9.47%	8.60%	7.89%	6.98%	5.89%	3.62%	6.15%
Other income		0.03%	-0.13%	-0.08%	-0.04%	-0.03%	-0.04%	0.06%	0.13%	0.15%	0.25%	0.15%
<i>Total income</i>		30.87%	21.36%	15.48%	15.75%	13.72%	12.92%	12.28%	11.49%	10.50%	8.35%	10.69%
Less: expenses												
Interest paid	19,040	0.13%	0.11%	0.11%	0.09%	0.08%	0.08%	0.08%	0.06%	0.04%	0.02%	0.04%
Depreciation	14,680	0.08%	0.04%	0.03%	0.03%	0.03%	0.04%	0.05%	0.06%	0.05%	0.03%	0.04%
Insurance premiums paid	38,741	1.31%	0.63%	0.49%	0.37%	0.27%	0.21%	0.17%	0.14%	0.10%	0.05%	0.13%
Audit fees	98,532	0.64%	0.31%	0.21%	0.16%	0.13%	0.10%	0.08%	0.06%	0.04%	0.02%	0.06%
Investment expenses	57,923	0.48%	0.30%	0.28%	0.27%	0.28%	0.28%	0.28%	0.25%	0.24%	0.16%	0.22%
Management & administration expenses	177,328	2.85%	1.37%	1.04%	0.86%	0.71%	0.61%	0.51%	0.42%	0.34%	0.20%	0.40%
Other expenses	47,846	0.93%	0.41%	0.28%	0.21%	0.17%	0.15%	0.13%	0.12%	0.09%	0.05%	0.10%
<i>Total expenses (mean)</i>		6.43%	3.16%	2.43%	1.99%	1.66%	1.47%	1.30%	1.10%	0.90%	0.53%	1.00%
<i>Total expenses (median)</i>		2.92%	1.84%	1.52%	1.28%	1.09%	0.97%	0.85%	0.72%	0.60%	0.36%	0.52%
Net income before tax		24.44%	18.20%	13.05%	13.76%	12.06%	11.45%	10.98%	10.38%	9.60%	7.82%	9.69%
Less: income tax												
Tax on contributions		4.05%	2.65%	1.73%	1.75%	1.42%	1.29%	1.18%	1.05%	0.88%	0.54%	0.92%
Tax on investment income		0.13%	0.35%	0.45%	0.51%	0.56%	0.59%	0.61%	0.65%	0.69%	0.76%	0.66%
Less: franking credits	119,076	-0.39%	-0.44%	-0.46%	-0.47%	-0.47%	-0.46%	-0.43%	-0.44%	-0.44%	-0.44%	-0.44%
<i>Net income tax expense</i>		3.78%	2.55%	1.72%	1.79%	1.51%	1.42%	1.36%	1.26%	1.14%	0.87%	1.14%
Net income after tax		20.66%	15.65%	11.33%	11.97%	10.54%	10.03%	9.62%	9.13%	8.46%	6.95%	8.55%
Net income after tax (excluding contributions)		-2.27%	0.66%	1.53%	2.06%	2.49%	2.72%	2.91%	3.19%	3.45%	3.88%	3.33%
<i>n</i>	20,942	20,942	20,942	20,942	20,942	20,942	20,942	20,942	20,942	20,942	20,942	209,420

Panel E – Breakdown of income, expenses and tax for 2008 year ranked by total assets size deciles - mean (\$)

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Income											
Capital gains	336.87	1,313.25	2,557.25	3,790.48	5,506.37	7,815.10	9,626.08	12,916.16	18,595.00	47,733.14	11,624.55
Rent	30.54	127.78	384.05	752.88	1,352.89	2,048.42	3,423.04	4,853.29	7,800.66	16,164.26	3,914.52
Interest received	540.39	1,230.43	1,906.21	2,619.91	3,440.92	4,434.61	6,042.06	8,230.91	12,900.52	32,237.38	7,765.24
Foreign income	21.71	75.72	158.91	244.36	375.41	575.18	732.36	1,130.67	1,700.19	3,898.00	942.58
Dividends received	260.35	804.85	1,416.38	2,121.25	2,908.47	4,011.99	5,019.91	7,125.21	10,748.11	25,642.86	6,334.35
Concessional contributions received	6,472.82	15,012.12	16,206.78	25,255.01	27,096.82	33,858.39	42,768.33	51,993.80	65,457.39	98,214.16	39,435.58
Other income	-62.92	-381.48	-649.30	-978.56	-1,458.27	-2,045.14	-2,032.69	-2,127.18	-2,600.58	-5,259.17	-1,823.57
<i>Total income</i>	<u>7,599.75</u>	<u>18,182.66</u>	<u>21,980.29</u>	<u>33,805.34</u>	<u>39,222.62</u>	<u>50,698.55</u>	<u>65,579.08</u>	<u>84,122.87</u>	<u>114,601.29</u>	<u>218,630.63</u>	<u>68,193.25</u>
Less: expenses											
Interest paid	28.47	70.38	105.10	147.41	130.58	212.50	218.73	232.54	232.34	315.72	172.69
Depreciation	12.00	28.89	41.28	61.05	82.29	131.37	228.15	302.98	432.60	673.78	208.91
Insurance premiums paid	250.71	395.33	501.25	557.92	577.65	594.07	671.14	752.44	782.38	907.53	606.13
Audit fees	124.73	186.22	210.39	241.18	256.32	290.73	289.66	330.46	344.78	450.82	276.23
Investment expenses	107.01	259.20	390.97	492.09	649.93	937.71	1,209.91	1,579.95	2,129.35	3,499.20	1,171.59
Management & administration expenses	613.40	912.13	1,174.74	1,428.48	1,707.19	1,992.69	2,226.44	2,599.09	3,177.33	4,602.63	2,094.99
Other expenses	219.22	285.73	363.23	382.67	444.37	510.34	567.63	743.71	863.37	1,191.24	570.08
<i>Total expenses (mean)</i>	<u>1,355.55</u>	<u>2,137.88</u>	<u>2,786.94</u>	<u>3,310.79</u>	<u>3,848.31</u>	<u>4,669.41</u>	<u>5,411.66</u>	<u>6,541.18</u>	<u>7,962.14</u>	<u>11,640.92</u>	<u>5,100.62</u>
<i>Total expenses (median)</i>	565.00	1,167.00	1,676.00	2,071.00	2,452.00	2,994.50	3,455.00	4,254.50	5,275.00	7,627.00	2,558.00
Net income before tax	6,244.20	16,044.78	19,193.35	30,494.55	35,374.30	46,029.14	60,167.42	77,581.69	106,639.15	206,989.71	63,092.63
Less: income tax											
Tax on contributions	970.92	2,251.82	2,431.02	3,788.25	4,064.52	5,078.76	6,415.25	7,799.07	9,818.61	14,732.12	5,915.34
Tax on investment income	74.84	358.87	752.46	1,200.69	1,785.24	2,553.77	3,494.65	5,021.55	7,852.06	20,328.46	4,513.57
Less: franking credits	-98.45	-317.64	-556.00	-837.50	-1,137.89	-1,571.24	-1,966.45	-2,811.34	-4,241.78	-10,112.62	-2,494.66
<i>Net income tax expense</i>	<u>947.32</u>	<u>2,293.05</u>	<u>2,627.47</u>	<u>4,151.44</u>	<u>4,711.88</u>	<u>6,061.29</u>	<u>7,943.44</u>	<u>10,009.28</u>	<u>13,428.89</u>	<u>24,947.96</u>	<u>7,934.26</u>
Net income after tax	<u>5,296.89</u>	<u>13,751.73</u>	<u>16,565.87</u>	<u>26,343.11</u>	<u>30,662.43</u>	<u>39,967.86</u>	<u>52,223.97</u>	<u>67,572.40</u>	<u>93,210.26</u>	<u>182,041.75</u>	<u>55,158.37</u>
Net income after tax (excluding contributions)	205.01	991.43	2,790.11	4,876.35	7,630.13	11,188.22	15,870.89	23,377.67	37,571.47	98,559.72	21,638.13
<i>n</i>	6,655	6,597	6,459	6,515	6,770	6,854	6,829	6,948	7,202	7,609	68,438

Panel F - Breakdown of income, expenses and tax for 2009 year ranked by total assets size deciles - mean (\$)

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Income											
Capital gains	119.40	365.35	670.51	968.03	1,373.16	1,869.38	2,289.79	3,653.99	4,862.03	11,957.02	2,697.97
Rent	25.82	98.46	313.66	667.57	1,328.14	2,056.51	3,607.05	5,572.41	8,779.29	18,869.32	3,937.75
Interest received	442.44	1,135.63	1,801.70	2,601.74	3,362.09	4,661.47	6,063.70	8,474.48	13,043.47	32,224.73	7,076.58
Foreign income	19.18	89.70	222.67	359.14	546.87	724.63	983.62	1,340.62	2,095.92	4,844.84	1,075.15
Dividends received	297.33	960.53	1,690.29	2,404.71	3,473.80	4,390.41	5,707.89	7,745.94	11,813.56	27,835.40	6,365.23
Concessional contributions received	6,438.14	13,636.19	15,302.07	23,605.62	26,402.88	32,582.87	40,360.30	50,762.86	65,998.01	96,951.71	36,229.50
Other income	64.21	168.14	402.15	611.51	956.64	1,302.31	1,991.42	2,908.05	4,671.48	15,178.06	2,687.17
<i>Total income</i>	<u>7,406.51</u>	<u>16,453.99</u>	<u>20,403.05</u>	<u>31,218.32</u>	<u>37,443.57</u>	<u>47,587.58</u>	<u>61,003.77</u>	<u>80,458.36</u>	<u>111,263.75</u>	<u>207,861.09</u>	<u>60,069.34</u>
Less: expenses											
Interest paid	44.99	115.59	156.64	177.91	227.45	261.15	339.47	332.68	400.91	359.58	237.78
Depreciation	34.41	27.79	43.24	48.27	86.09	144.09	227.07	370.44	496.81	794.16	218.44
Insurance premiums paid	321.24	458.88	620.04	648.49	671.38	690.57	773.68	837.30	947.15	1,130.40	701.95
Audit fees	162.24	229.15	270.05	305.01	322.27	349.31	373.41	404.84	447.82	547.04	337.24
Investment expenses	124.45	221.51	348.18	473.77	714.94	870.43	1,240.36	1,589.27	2,202.85	3,640.18	1,104.41
Management & administration expenses	725.57	1,041.79	1,343.10	1,582.88	1,800.09	2,091.92	2,377.34	2,655.66	3,250.00	4,539.74	2,100.44
Other expenses	243.62	298.79	370.67	382.70	421.42	518.31	657.29	760.67	875.54	1,345.08	575.77
<i>Total expenses (mean)</i>	<u>1,656.54</u>	<u>2,393.50</u>	<u>3,151.91</u>	<u>3,619.04</u>	<u>4,243.64</u>	<u>4,925.78</u>	<u>5,988.62</u>	<u>6,950.84</u>	<u>8,621.09</u>	<u>12,356.18</u>	<u>5,276.04</u>
<i>Total expenses (median)</i>	<u>752.00</u>	<u>1,395.00</u>	<u>1,968.00</u>	<u>2,310.50</u>	<u>2,841.00</u>	<u>3,311.50</u>	<u>4,030.00</u>	<u>4,621.50</u>	<u>5,804.50</u>	<u>8,333.50</u>	<u>2,786.00</u>
Net income before tax	5,749.98	14,060.49	17,251.14	27,599.28	33,199.93	42,661.80	55,015.15	73,507.51	102,642.66	195,504.91	54,793.30
Less: income tax											
Tax on contributions	965.72	2,045.43	2,295.31	3,540.84	3,960.43	4,887.43	6,054.05	7,614.43	9,899.70	14,542.76	5,434.43
Tax on investment income	24.42	242.24	544.99	907.07	1,413.62	1,986.36	2,778.64	4,190.45	6,592.82	17,163.04	3,314.33
Less: franking credits	-114.26	-378.89	-664.01	-947.93	-1,363.69	-1,731.12	-2,237.67	-3,050.05	-4,645.97	-10,730.74	-2,483.08
<i>Net income tax expense</i>	<u>875.88</u>	<u>1,908.78</u>	<u>2,176.29</u>	<u>3,499.98</u>	<u>4,010.36</u>	<u>5,142.67</u>	<u>6,595.01</u>	<u>8,754.83</u>	<u>11,846.55</u>	<u>20,975.06</u>	<u>6,265.68</u>
Net income after tax	<u>4,874.10</u>	<u>12,151.71</u>	<u>15,074.85</u>	<u>24,099.30</u>	<u>29,189.58</u>	<u>37,519.13</u>	<u>48,420.14</u>	<u>64,752.68</u>	<u>90,796.11</u>	<u>174,529.85</u>	<u>48,527.62</u>
Net income after tax (excluding contributions)	-598.31	560.95	2,068.09	4,034.53	6,747.13	9,823.70	14,113.89	21,604.25	34,697.80	92,120.90	17,732.55
<i>n</i>	7,296	7,465	7,247	7,260	7,065	6,930	7,041	6,884	6,668	6,528	70,384

Panel G - Breakdown of income, expenses and tax for 2010 year ranked by total assets size deciles - mean (\$)

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Income											
Capital gains	199.61	683.51	1,123.69	1,522.52	2,094.50	2,589.35	3,259.00	4,093.70	6,564.87	16,867.84	3,851.77
Rent	15.11	103.60	259.04	624.13	1,314.07	2,268.09	3,715.36	5,681.83	9,034.02	18,840.00	4,129.12
Interest received	327.02	847.58	1,355.57	1,875.63	2,371.25	3,174.84	4,343.04	5,772.05	9,357.91	21,657.18	5,046.27
Foreign income	8.78	32.17	79.62	131.55	203.57	289.70	379.84	501.41	829.60	2,415.55	479.87
Dividends received	202.41	727.89	1,286.66	1,974.92	2,789.29	3,771.74	4,677.61	6,844.42	9,956.79	23,967.13	5,552.05
Concessional contributions received	6,855.57	10,457.16	11,843.67	14,867.14	18,294.18	21,654.45	25,710.15	31,386.25	38,856.38	52,428.69	23,140.79
Other income	12.08	-116.45	-112.47	42.44	243.55	296.85	727.41	1,649.49	2,574.33	8,937.03	1,395.56
<i>Total income</i>	<u>7,620.58</u>	<u>12,735.47</u>	<u>15,835.77</u>	<u>21,038.33</u>	<u>27,310.41</u>	<u>34,045.02</u>	<u>42,812.40</u>	<u>55,929.14</u>	<u>77,173.89</u>	<u>145,113.42</u>	<u>43,595.43</u>
Less: expenses											
Interest paid	22.06	54.42	129.09	183.46	233.90	329.15	537.85	539.85	592.28	460.14	308.19
Depreciation	12.11	25.48	29.73	65.44	72.66	173.13	286.54	408.73	529.71	852.42	243.34
Insurance premiums paid	385.48	532.01	690.10	779.08	756.66	854.68	869.64	1,028.41	1,144.04	1,302.77	833.53
Audit fees	183.53	260.55	306.36	334.78	364.98	396.33	410.93	435.58	491.73	606.14	378.60
Investment expenses	118.30	196.19	315.95	501.42	727.18	1,006.95	1,353.53	1,695.42	2,474.09	3,717.46	1,201.92
Management & administration expenses	741.10	1,065.68	1,346.22	1,642.80	1,878.18	2,141.46	2,462.37	2,768.01	3,342.88	4,648.71	2,196.59
Other expenses	219.60	327.33	300.33	374.60	420.73	503.83	583.27	703.61	793.18	1,137.21	534.25
<i>Total expenses (mean)</i>	<u>1,682.18</u>	<u>2,461.65</u>	<u>3,117.79</u>	<u>3,881.59</u>	<u>4,454.28</u>	<u>5,405.53</u>	<u>6,504.12</u>	<u>7,579.60</u>	<u>9,367.91</u>	<u>12,724.85</u>	<u>5,696.42</u>
<i>Total expenses (median)</i>	787.00	1,500.00	2,013.00	2,565.00	2,967.00	3,515.00	4,168.50	4,900.50	6,260.50	8,863.00	3,012.00
Net income before tax	5,938.40	10,273.81	12,717.98	17,156.75	22,856.12	28,639.48	36,308.28	48,349.54	67,805.98	132,388.57	37,899.01
Less: income tax											
Tax on contributions	1,028.34	1,568.57	1,776.55	2,230.07	2,744.13	3,248.17	3,856.52	4,707.94	5,828.46	7,864.30	3,471.12
Tax on investment income	-1.26	168.88	394.97	674.67	1,087.36	1,543.07	2,175.57	3,311.00	5,423.79	14,416.53	2,750.52
Less: franking credits	-75.16	-274.05	-483.65	-745.62	-1,059.44	-1,420.70	-1,768.91	-2,598.92	-3,777.55	-9,151.66	-2,109.60
<i>Net income tax expense</i>	<u>951.92</u>	<u>1,463.40</u>	<u>1,687.87</u>	<u>2,159.12</u>	<u>2,772.06</u>	<u>3,370.54</u>	<u>4,263.18</u>	<u>5,420.02</u>	<u>7,474.70</u>	<u>13,129.17</u>	<u>4,112.04</u>
Net income after tax	<u>4,986.48</u>	<u>8,810.41</u>	<u>11,030.11</u>	<u>14,997.63</u>	<u>20,084.07</u>	<u>25,268.95</u>	<u>32,045.11</u>	<u>42,929.52</u>	<u>60,331.28</u>	<u>119,259.41</u>	<u>33,786.97</u>
Net income after tax (excluding contributions)	-840.75	-78.18	962.99	2,360.56	4,534.02	6,862.67	10,191.48	16,251.21	27,303.36	74,695.02	14,117.30
<i>n</i>	6,991	6,880	7,236	7,167	7,107	7,158	7,072	7,110	7,072	6,805	70,598

Panel H - Breakdown of income, expenses and tax for all years ranked by total assets size deciles - mean (\$)

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Income											
Capital gains	215.28	768.47	1,409.01	2,035.85	2,954.11	4,061.41	5,009.39	6,876.22	10,159.87	26,551.55	6,004.12
Rent	23.74	109.38	316.50	679.24	1,331.37	2,126.18	3,583.62	5,370.97	8,528.76	17,876.95	3,994.67
Interest received	435.04	1,070.86	1,679.79	2,358.90	3,051.32	4,079.09	5,475.59	7,476.17	11,749.71	28,795.45	6,617.19
Foreign income	16.51	66.39	153.58	245.54	374.94	527.06	697.79	986.05	1,532.20	3,711.43	831.15
Dividends received	253.89	835.06	1,466.35	2,169.44	3,058.74	4,055.10	5,135.62	7,233.92	10,820.13	25,781.79	6,081.01
Concessional contributions received	6,588.51	13,025.23	14,386.14	21,128.16	23,875.40	29,264.98	36,198.26	44,592.72	56,646.51	82,942.87	32,864.88
Other income	6.41	-98.49	-99.96	-77.91	-66.04	-136.93	252.35	810.20	1,462.40	5,724.50	777.65
<i>Total income</i>	<u>7,539.38</u>	<u>15,776.91</u>	<u>19,311.40</u>	<u>28,539.22</u>	<u>34,579.85</u>	<u>43,976.89</u>	<u>56,352.61</u>	<u>73,346.25</u>	<u>100,899.57</u>	<u>191,384.54</u>	<u>57,170.66</u>
Less: expenses											
Interest paid	32.09	81.25	131.22	170.32	198.33	268.47	367.09	369.79	407.56	376.32	240.24
Depreciation	19.84	27.38	37.97	58.12	80.30	149.85	247.50	361.06	485.84	769.35	223.72
Insurance premiums paid	320.27	462.89	607.61	665.01	670.02	715.08	772.65	874.03	956.97	1,105.44	715.00
Audit fees	157.43	225.95	264.20	295.34	315.44	346.21	358.77	390.60	427.21	531.29	331.24
Investment expenses	116.85	225.06	350.24	488.93	698.08	939.11	1,268.65	1,622.22	2,269.17	3,614.07	1,159.24
Management & administration expenses	695.11	1,008.79	1,292.25	1,555.36	1,796.56	2,076.38	2,356.85	2,675.03	3,256.38	4,598.00	2,131.07
Other expenses	227.85	304.05	344.07	379.92	428.60	510.75	603.06	735.67	843.54	1,221.64	559.91
<i>Total expenses (mean)</i>	<u>1,569.45</u>	<u>2,335.37</u>	<u>3,027.56</u>	<u>3,613.00</u>	<u>4,187.33</u>	<u>5,005.85</u>	<u>5,974.56</u>	<u>7,028.40</u>	<u>8,646.67</u>	<u>12,216.10</u>	<u>5,360.43</u>
<i>Total expenses (median)</i>	713.50	1,361.00	1,900.00	2,310.00	2,753.50	3,291.50	3,903.50	4,591.50	5,768.50	8,217.00	2,788.00
Net income before tax	5,969.93	13,441.55	16,283.84	24,926.23	30,392.52	38,971.03	50,378.05	66,317.85	92,252.90	179,168.44	51,810.23
Less: income tax											
Tax on contributions	988.28	1,953.78	2,157.92	3,169.22	3,581.31	4,389.75	5,429.74	6,688.91	8,496.98	12,441.43	4,929.73
Tax on investment income	31.87	254.88	557.14	918.88	1,423.03	2,020.55	2,808.47	4,167.61	6,631.10	17,420.69	3,516.17
Less: franking credits	-96.18	-325.15	-568.38	-844.34	-1,187.44	-1,572.69	-1,990.93	-2,817.69	-4,213.71	-9,993.04	-2,360.96
<i>Net income tax expense</i>	<u>923.96</u>	<u>1,883.51</u>	<u>2,146.68</u>	<u>3,243.76</u>	<u>3,816.90</u>	<u>4,837.60</u>	<u>6,247.27</u>	<u>8,038.83</u>	<u>10,914.37</u>	<u>19,869.08</u>	<u>6,084.95</u>
Net income after tax	<u>5,045.97</u>	<u>11,558.03</u>	<u>14,137.16</u>	<u>21,682.47</u>	<u>26,575.61</u>	<u>34,133.43</u>	<u>44,130.78</u>	<u>58,279.02</u>	<u>81,338.52</u>	<u>159,299.37</u>	<u>45,725.29</u>
Net income after tax (excluding contributions)	-554.26	486.59	1,908.94	3,723.53	6,281.52	9,258.20	13,362.26	20,375.21	33,188.99	88,797.93	17,790.14
<i>n</i>	20,942	20,942	20,942	20,942	20,942	20,942	20,942	20,942	20,942	20,942	209,420

Table 3.6: Estimation of annual running costs for Australian SMSFs sample in accumulation phase, 2008-2010

(Dependent variable is log of total expenses excluding insurance)

	<u>Panel A (2008 year n=68,438)</u>			<u>Panel B (2009 year n=70,384)</u>			<u>Panel C (2010 year n=70,598)</u>			<u>Panel D (All years n=209,420)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.780	-22.440	.000	-.826	-24.178	.000	-.895	-28.264	.000	-.838	-43.145	.000
<i>LASSETS</i>	.252	79.600	.000	.269	85.848	.000	.281	96.460	.000	.267	150.412	.000
<i>PARTICIPANTS</i>	.038	7.731	.000	.026	5.584	.000	.016	3.594	.000	.028	10.441	.000
<i>LCASH</i>	.007	5.137	.000	.009	6.369	.000	.006	4.431	.000	.008	10.260	.000
<i>LPROPERTY</i>	.039	55.396	.000	.036	52.586	.000	.032	50.905	.000	.035	91.406	.000
<i>LSHARES</i>	.007	10.597	.000	.014	22.259	.000	.011	18.813	.000	.012	31.352	.000
<i>FOREIGN</i>	.106	7.655	.000	.087	6.397	.000	.075	6.027	.000	.090	11.620	.000
<i>LCONT</i>	.000	-.350	.726	-.001	-2.066	.039	.005	7.210	.000	.001	1.546	.122
<i>ARTWORK</i>	.065	2.946	.003	.052	2.531	.011	.011	.586	.558	.044	3.713	.000
<i>BORROWING</i>	.195	6.587	.000	.264	11.173	.000	.262	14.947	.000	.265	20.443	.000
<i>RESERVEACCTS</i>	.012	.259	.796	-.102	-2.375	.018	-.066	-1.861	.063	-.047	-1.961	.050
<i>INHOUSE</i>	.052	2.574	.010	.039	1.992	.046	.041	2.162	.031	.040	3.537	.000
<i>DISPOSAL</i>	.588	75.607	.000	.413	58.495	.000	.367	56.330	.000	.439	107.406	.000
<i>LOSSES</i>	.648	61.941	.000	.655	72.856	.000	.640	82.510	.000	.652	126.285	.000
F-statistic		2339.719	.000		2331.413	.000		2679.054	.000		7199.101	.000
Adjusted R ²		.308			.301			.330			.309	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made.

**Table 3.7: Estimation for main effects of annual running costs for Australian SMSFs sample in accumulation phase, 2008-2010
(Dependent variable is log of total expenses excluding insurance)**

	<u>Panel A (2008 year n=68,438)</u>			<u>Panel B (2009 year n=70,384)</u>			<u>Panel C (2010 year n=70,598)</u>			<u>Panel D (All years n=209,420)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.321	-9.408	.000	-.062	-1.890	.059	-.076	-2.468	.014	-.143	-7.551	.000
<i>LASSETS</i>	.252	79.515	.000	.239	76.518	.000	.254	86.071	.000	.247	138.394	.000
<i>PARTICIPANTS</i>	.042	8.107	.000	.028	5.673	.000	.023	4.872	.000	.032	11.217	.000
<i>LCASH</i>	-.008	-5.812	.000	-.008	-5.297	.000	-.013	-9.178	.000	-.009	-10.409	.000
<i>LPROPERTY</i>	.034	45.681	.000	.034	47.032	.000	.031	46.437	.000	.033	80.483	.000
<i>LSHARES</i>	.026	39.908	.000	.025	40.632	.000	.019	33.425	.000	.024	65.788	.000
F-statistic		3847.543	.000		3814.815	.000		4216.033	.000		11732.760	.000
Adjusted R ²		.219			.213			.230			.219	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments

CHAPTER 4

UNDERSTANDING ASSURANCE IN THE AUSTRALIAN SELF-MANAGED SUPERANNUATION FUND INDUSTRY

4.1 Introduction

“The requirement for approved auditors to conduct an annual financial and compliance audit, and to report associated breaches via auditor contravention reports (ACRs), is fundamental to the health of the SMSF system. Competent professionals in this field also inspire community confidence that the considerable tax concessions provided to super are appropriately applied - that the benefits of those tax concessions are directed towards retirement savings and not misused.”

Michael D’Ascenzo, Commissioner of Taxation, (2011)

In the previous chapter I analysed the total costs associated with operating an SMSF. In this chapter I focus on one specific cost related to the running of SMSFs, the fees paid to auditors. I examine audit pricing issues associated with auditor industry specialisation, professional brand affiliations and consider independence implications in the SMSF market.

Cullinan (1998b) observed that there is a research void on auditing in the retirement savings industry, two notable exceptions being his own studies in the 1990s (Cullinan 1997, 1998a).⁶³ This chapter addresses the current research void on audit pricing in the pension market by reporting new evidence using proprietary data on SMSFs provided by the ATO. Using a sample of just under 100,000 SMSFs over the years of

⁶³ ‘At the current stage of development, much less is known regarding the pension audit market than for the public company audit market’. (p.72).

2008-2010, this is the first audit fee study in this setting using Australian data and extends the general audit literature analysing the members of the different professional accounting bodies.

SMSF trustees are required to have financial statements prepared, lodge an income tax return and arrange for the fund to be audited by an approved auditor each year. The annual requirements include the audit of the fund's special purpose financial statement ('financial audit') as well as an ensuring the SMSF complies with the *SIS Act 1993 and SIS Regulations 1994* ('compliance engagement'). Unlike the corporate environment where only registered company auditors sign off, another unique feature of the SMSF setting is that approved auditors can be from one of eight possible professional affiliations. Each of these professional bodies have their own different initial registration and ongoing professional development requirements.⁶⁴ The approved auditor is required to provide an auditor's report on the fund's operations for the year, a report to the trustee/s if there are any contraventions of the *SIS Act 1993* or *SIS Regulations 1994* or if the financial position may be (or about to become) unsatisfactory. The auditor must report in writing to the ATO via an 'Auditor Contravention Report' if he/she forms an opinion that a contravention has (or may have) occurred or if the financial position may be (or about to become) unsatisfactory. Superannuation funds which comply with the *SIS Act 1993* qualify for the concessional tax rate of 15 percent. Non-complying super funds are not eligible for the concessional tax rate and are taxed at 45 percent. *SIS Regulations 1994*

⁶⁴ Currently the Auditor-General (*AG*), registered company auditors (*RCA*) and members from six professional bodies can audit SMSFs. These include members of the Institute of Chartered Accountants in Australia (*ICAA*); members of the Australian Society of Certified Practising Accountants (*CPA*); members of the Institute of Public Accountants (*IPA*); members or Fellows of the Association of Taxation and Management Accountants (*ATMA*); fellows of the National Taxation and Accountants' Association (*NTAA*); and specialist auditors of the SMSF Professionals' Association of Australia (*SPAA*). It is estimated that there were 11,000 (16,300), 11,000 (14,600), 10,000 (12,500) and 9,600 (13,000) approved auditors who audited SMSFs (tax agents/accountants who lodged SMSF annual returns) for the years ended 30 June 2008, 2009, 2010 and 2011 respectively (Australian Taxation Office 2011, 2012, 2013b, 2013c).

include a requirement for SMSF trustees to satisfy the ‘sole purpose test’ ensuring that the fund is being maintained for the purpose of providing benefits to its members upon retirement.⁶⁵

Agency costs are important drivers of client demand for high audit quality (DeFond & Zhang 2014) and have been the focus of a number of studies of the Australian superannuation industry (Coleman, Esho & Wong 2006; Drew & Stanford 2003a, 2003b). However, the traditional agency relationship does not exist in SMSFs, unlike the other types of Australian superannuation funds. This is because the principals prefer to take control themselves and not use an agent to make investment decisions (Drew & Stanford 2003b). If anything, it could be argued that the agency relationship in an SMSF is between the self-managers and the regulator (the ATO). Effectively, I have a setting where the client pays for an audit for the ATO. The ATO monitors both the auditor and the SMSF itself. Despite the fact that the client has little incentive to purchase a higher cost audit, the regulator can impose strong sanctions on both the auditor and the client. On the demand side, the ATO can implement an SMSF audit, which has reputational implications for both the trustee and the auditor. On the supply side, approved auditors can be entered into the ATO’s approved auditor disqualification register acting as a significant deterrent for any extreme cases of non-compliance (such as fraudulent activities). Thus the annual fund audit, acts as a confirmation that the fund has complied with the *SIS Act 1993*, ensuring complying superannuation fund status and that favourable tax concessions remain. The following anecdotal quote serves to summarize the role of auditors in the SMSF sector in the eyes of the regulator.

⁶⁵ *GS 009 Auditing Self-Managed Superannuation Funds* provides guidance to SMSF auditors (Auditing and Assurance Standards Board 2011).

“In many ways, approved auditors are our 'eyes and ears' for the SMSF market. Their annual audits provide a key measure of overall SMSF compliance levels and thus a good indicator of the health of the sector. That is why any conflict of interest issues undermine their important contribution to the integrity of the system.”

Michael D’Ascenzo, Commissioner of Taxation (2011)

Over 2009-10 a review into the governance, efficiency, structure and operation of Australia’s superannuation industry was conducted (Cooper 2010). Among the 177 recommendations in the final report there were 15 specific to the SMSF sector, including two in relation to their auditors. The first recommendation provided the Australian Securities Investments Commission (ASIC) with the power to determine the qualification requirements for eligibility to audit SMSFs, as the new registrar of SMSF auditors.⁶⁶ The second recommendation (and more relevant to this chapter) is the Cooper Review’s stated concerns surrounding the independence standards of approved auditors. In particular, the Cooper Review made specific recommendations suggesting the possible curtailment of the joint supply of audit and NAS, a common regulatory concern globally (European Commission 2002, *Sarbanes-Oxley Act 2002*, Securities and Exchange Commission 2000, 2003). Analysis of my third hypothesis (detailed in Section 4.4) considers the merits or otherwise of independence concerns within the SMSF setting.

The remainder of this chapter is structured as follows. Section 4.2 details prior literature and sets out the research hypotheses. Section 4.3 outlines the model specification, sample, data and descriptive statistics. Section 4.4 reports and discusses the empirical results, while Section 4.5 concludes.

⁶⁶ Since 31 January 2013, ASIC has taken over the responsibility for the monitoring and registration of approved SMSF auditors from the ATO, including the maintenance of the register for disqualified persons on their website www.asic.gov.au.

4.2 Prior literature and hypotheses development

4.2.1 Prior literature

Simunic (1980) does not observe evidence of brand name product differentiation in the small client segment.⁶⁷ The implication of Simunic (1980)'s findings in the small client segment is that the presence of industry specialist premiums is unlikely due to the maintained assumption of price competition. Some studies find no evidence of industry specialist or leadership audit fee premiums in this segment (Craswell, Francis & Taylor 1995; Ferguson & Stokes 2002; Ferguson, Pündrich & Raftery 2014) whilst other studies do (Casterella, Francis, Lewis & Walker 2004). Defond, Francis & Wong (2000) find specialist premiums in both the small and large client segments sample-wide despite the non-Big 6 leader in Hong Kong property industry charging lower fees. Further, there have been mixed results in terms of the presence of industry specialist premiums in non-public company settings, such as the public sector (Baber, Brooks & Ricks 1987; Rubin 1988; Ward, Elder & Kattelus 1994; Hackenbrack, Jensen & Payne 2000; Jensen & Payne 2005) and private company clients (Palmrose 1986a; Willekens & Achmadi 2003; Chaney, Jeter & Shivakumar 2004). Prior partner-level audit literature suggests that the audit fees derived by individual partners within firms are not homogeneous, but rather may exhibit evidence of scale effects (fee discounting) or reputation premiums (Taylor 2011; Chi & Chin 2011; and Fung, Gul & Krishnan 2012).

There are numerous studies in the economics of auditing literature that suggest auditors price strategically, such as offering fee discounts on initial engagements (DeAngelo 1981a; Ettredge & Greenberg 1990; Chan 1999; Dutilleux, Stokes & Willekens 2013) or by service bundling where auditors receive higher prices for NAS

⁶⁷ Evidence of brand name pricing in the small client segment subsequent to Simunic (1980) is summarized in Peel & Roberts (2003) which shows some support for brand name fee premiums in the small client segment.

(Gigler & Penno 1995; Ferguson et al. 2014). Businesses often sell goods or services in packages where the customer is attracted to purchase the bundle due to an actual (or perceived) discount over the combined components (Adams & Yellen 1976; Gultinan 1987; Stremersch & Tellis 2002; Stigler 1963; Thaler 1985). However, there are bundling instances where the seller of the goods or services may, in fact, charge a premium over the combined components (Cready 1991; Stremersch & Tellis 2002). Cready (1991) argues that a premium from the bundling of the audit with other services may arise as there is zero utility for an additional audit.

Incentives to bundle auditing and consulting services arise from asserted economies of scope (Simunic 1984; Palmrose 1986b; Antle & Demski 1991; Thoman 1991). Auditors are further encouraged to bundle their services as auditing is a mature and commoditised industry (Leibman & Kelly 1992). In contrast, there are frequent assertions in the economics of auditing literature that tax and management advisory services are more profitable (Gigler & Penno 1995, 328) and that auditors may have incentives to skew cost allocations when audit and NAS are bundled (Francis 1984, 141). In a recent study, Ferguson et al. (2014) find no premium to industry leaders when audit fees is used as the dependent variable. However, when the dependent variable is redefined to include non-audit fees, the auditor industry leader is shown to earn a significant total fee premium. Whilst it is commonly considered that the competition in the audit service market follows the Cournot model (firms compete on output quantity), an alternative assumption is that the market follows the classic Bertrand model (firms compete purely on price). I propose that the SMSF audit, like car repairs, is considered a credence good since the client is unable to observe the quality of the audit conducted and may not be aware of the extent of auditing that they really need (Hay & Knechel 2010). Accordingly, I propose that the SMSF setting might be conducive to strategic pricing in the form of service bundling.

There has been little prior research devoted to audit pricing in the retirement funds (superannuation and pension) industry. The main exception are the Cullinan (1997, 1998a) studies, both investigating audit fees in the context of US pension funds. Cullinan (1997) considers audit pricing implications for a 1991 sample of 1,110 pension plans for US firms with at least 100 employees. Cullinan identifies descriptive evidence consistent with the non-Big 6 having a sizeable presence in this sector, with the Big 6 accounting firms having only a ten percent client share in the pension plan audit market.⁶⁸ Cullinan (1998a) extends this work by investigating auditor industry specialisation effects using the same 1991 dataset but instead using sample of 993 US multi-employer pension plans. He finds a premium for the non-Big 6 industry specialist, Thomas Havey & Company.

Evidence from prior audit pricing literature indicates the presence of scale economies to larger suppliers. For example, Eichenseher & Danos (1982) and Danos & Eichenseher (1986) argue that scale economies accrue to specialist auditors in high regulation settings. Consistent with assertions of possible scale benefits to auditors in the SMSF segment, the superannuation industry is considered to be complex (Moroney & Simnett 2009). Pension funds may benefit from economies of scale due to greater volumes of assets under management and the ability to be able to negotiate lower fees with external investment managers (Coleman, Esho & Wong, 2006).

Further, there may be reasons why industry specialist reputation might not be valued in the SMSF setting. Despite regulatory complexity and compliance issues, auditing SMSF financial statements is likely to be relatively easy compared with public company audits. SMSF financial statements primarily feature three balance sheet amounts in the form of cash, shares and property investments, as well as investment returns in the

⁶⁸ The dominance of the non-Big 6 in the pension plan setting bears similarities to the dominance of the non-Big 6 in the market for Australian mining development stage entities documented in Ferguson, Püdrich & Raftery (2014).

profit and loss statement. There are no receivables, payables, prepayments, accruals nor provisions.⁶⁹ As suggested earlier, this setting's features are similar to non-listed companies where there is no separation of ownership and control or agency costs implying minimal demand for high quality auditing (Defond & Zhang 2014). On the demand side, I observe that retirement value is largely driven by investment returns after expenses, suggesting trustees may have little incentive to invest in expensive auditing. Presumably they would be attracted to scale discounts offered by a price-competitive industry specialist/leader.

In terms of the supply side characteristics, given the low financial statement complexity and client homogeneity, auditing a number of SMSF clients would involve simple repetition and hence be conducive to the generation of scale economies. Further, the market for SMSF audits features a considerable number of suppliers.⁷⁰ Assertions regarding demand and supply characteristics bear similarities with Moroney (2007) who conducted a controlled experiment comparing the relative efficiencies of two groups of audit specialists (from the manufacturing and pension fund industries) in a Big 4 firm. She finds that whilst the superannuation industry is highly regulated, superannuation specialists encounter many repetitive tasks in each fund, thereby enabling them to build up significant experience translating into enhanced efficiencies. Further, when a similar experiment, using the same manufacturing and superannuation case studies, was conducted within eight mid-tier firms it was found that industry-based experience has a

⁶⁹ Whilst reporting entity superannuation funds have to prepare financial statements in accordance with accounting standard AAS 25 *Financial Reporting by Superannuation Plans*, SMSFs do not have to comply with this standard. Most SMSFs generally report assets at historical cost, although anecdotal evidence suggests that market value reporting is becoming more common for SMSFs.

⁷⁰ Arguably, suppliers have low incentives to produce high quality as well, since the absence of diffuse ownership mitigates litigation risk. Effectively the auditors can only be sanctioned by the ATO (under the auspices of ASIC's oversight from 31 January 2013), so they have incentives to supply a benchmark of audit quality sufficient to avoid ATO sanction (chiefly an ATO audit of the client) and maintain professional accreditation.

more significant impact on auditor performance than task-based experience (Moroney & Carey 2011).

4.2.2 Hypotheses development

Leading audit firms that use cost-based pricing with no perceived differences in industry expertise should produce lower audit fees due to economies of scale (Cullinan 1998; Gramling & Stone 2001). The Australian SMSF market has a number of important empirical attributes. First, as discussed above, there are relatively low agency costs with the audit considered to be a credence good.⁷¹ Second, despite being part of a sizeable industry, many SMSFs (and their auditors) are individually quite small. Third, a feature of the SMSF audit environment is the considerable discretion the client retains in choosing who will do the audit. Fourth, there is an extensive SMSF client population with in excess of 500,000 funds. Last, there is a plethora of assurance providers where auditors have eight possible professional affiliations. Combined, these sector attributes imply that lower-priced audit firms may be preferred by price-sensitive SMSF clients. Accordingly I propose the following hypothesis:

H₁: *Industry leaders will earn lower audit fees from self-managed superannuation funds than non-industry leaders.*

Prior Australian audit fee research indicates that when the dependent variable (audit fees) is redefined as total auditor work, different results are found. For example, Ferguson & Stokes (2002) find that when the dependent variable is redefined as total auditor work, any support for the existence of leadership premiums in the ‘specialist industry’ sub-sample disappears. In a more recent Australian study, Ferguson et al. (2014)

⁷¹ I note that there may be some agency costs as the preparation of financial statements and income tax returns may be provided by external service providers, rather than by the members themselves, but do not have information in my dataset to ascertain to what extent that these services, if any, are provided.

show that higher prices are charged by specialist auditors when the dependent variable is redefined to total auditor work in the small mining company setting. This recent evidence is consistent with service bundling by auditors. I expect that in an industry, such as the pensions industry, where advice is even more highly valued than perhaps other sectors, that higher margin NAS will contribute to the generation of fee premiums for industry leading auditors. Accordingly, I propose the following hypothesis:

H₂: *Industry leaders will earn higher total fees from all services bundled to self-managed superannuation funds than non-industry leaders.*

The Cooper Review (2010) articulates concerns about the independence of SMSF approved auditors. The final report adopts a harsh position recommending that auditors should not provide SMSFs with any other services.⁷² The ATO's selection criteria for a compliance audit includes situations where the same assurance supplier performs both the tax return and the audit as there is the perception of an increased risk of a breach not being identified or reported (CPA, ICAA & NIA 2008b). This concern is supported by some of the audit literature which argues that an auditor's independence is compromised by supplying NAS and thus is less likely to issue a negative report (Krishnan 1994; Reynolds & Francis 2000; Frankel, Johnson & Nelson 2002; Kinney, Palmrose & Scholz 2004; Carey & Simnett 2006; Basioudis, Papakonstantinou & Geiger 2008; Blay & Geiger 2013). However, the economics of auditing literature contains mixed evidence of the association between NAS and the issuance of going concern opinions (Carson, Fargher,

⁷² "A number of submissions expressed the view that auditing firms should not be providing SMSFs with any other services and should be completely independent. The Panel accepts this view, given the particular features of the SMSF sector. It also believes the auditor independence model needs to be wider than just requiring auditors to have no connection with services or advice provided to the audited SMSF. The Panel prefers an independence model where the auditor or auditing firm also has no connection to services or advice provided to the individual member/trustees or their family businesses (that is wider than just in relation to the SMSF itself)" (Super System Review 2010, 239)

Geiger, Lennox, Raghunandan & Willekens 2013) with a number of studies finding that the supply of more NAS assists the auditor in ‘knowing the client’ and appears to encourage, rather than inhibit reporting of breaches (Craswell 1999; Craswell, Stokes & Laughton 2002; Francis 2006; Ruddock, Taylor & Taylor 2006; Robinson 2008). Further, there have been studies which find no association between NAS and breach reporting (Ashbaugh, LaFond & Mayhew 2003; DeFond, Raghunandan & Subramanyam 2002; Callaghan, Parkash & Singhal 2009; Li 2009; Hope & Langli 2010). Given the mixed findings in prior economics of auditing research, I state the following hypothesis in null form:

H₃: *The provision of other services (such as tax, accounting, financial advice or administration) will have no impact on the independence for approved SMSF auditors.*

Professional affiliations have differentiated the services of accountants and auditors for over 160 years with designations such as “chartered accountant” and “CPA” evolving as brand names (Parker 2005). The auditing research literature suggests that professional body affiliation may affect the quality of an audit (Dunmore & Falk 2001). The SMSF audit market has some interesting points of difference that provide an opportunity to analyse audit pricing differences amongst the eight professional bodies able to audit SMSFs.⁷³ For instance, the three professionally recognised accounting bodies, namely ICAA, CPA and IPA (formerly NIA), have their own set of competency requirements for their respective members who conduct audits of SMSFs (CPA, ICAA & NIA 2008a). Further, they have a Code of Ethics that includes a standard of independence applicable to all SMSF auditors (Accounting Professional and Ethics Standards Board

⁷³ Pflugrath, Roebuck & Simnett (2011) find some evidence that the credibility of a Corporate Social Responsibility (CSR) report is greater when the assurance is provided by a professional accountant rather than by a sustainability accountant. Unlike public company audits, which are restricted to registered company auditors, the SMSF audit setting is similar to the CSR setting where various types of professionals can conduct audit sign-offs.

2006).⁷⁴ Since it is a requirement of their membership that auditors comply with these auditing and ethical standards, there is a perception that members of these three bodies produce higher quality audits which may allow them to charge a market premium.⁷⁵ As a result I propose the following hypothesis:

H₄: *Approved auditors who are registered company auditors or members of a professional body that are required to comply with auditing and ethical standards receive a fee premium for higher quality audits of SMSFs compared to those that are members of professional bodies who do not have such standards.*

4.3 Research design, sample selection and data sources

4.3.1 Research design

Control variables

I apply a similar audit fee model to that first specified by Simunic (1980) including size, risk and complexity controls. My unique data enables us to augment the audit fee model with a number of pension industry specific explanatory variables (Fields, Fraser & Wilkins 2004). This allows us to specify an audit fee model bearing some similarities to that utilized by Cullinan (1998a). I build on the prior pension plan audit pricing literature (Cullinan 1997, 1998a) by supplementing controls likely to impact audit fees in an Australian pension industry context. To control for size I include additional measures for the number of members in the fund (*PARTICIPANTS*) and the natural log of

⁷⁴ Effective from 1 July 2013, amendments to the definition and auditor independence requirements of APES 110 *Code of Ethics for Professional Accountants* are applicable for circumstances where SMSF auditors may be receiving multiple client referrals from a single source. The new paragraph states that where the total fees of multiple audit clients referred from one source represent a large proportion of the total fees of the firm expressing the audit opinions, such dependence creates a self-interest or intimidation threat that needs to be evaluated.

⁷⁵ Whilst members of these bodies may be required to comply by these ethical and auditing standards, I note that they may not necessarily adhere to these standards. Conversely, I accept that non-members of these bodies may voluntarily elect to adopt these standards into their respective auditing practices.

total concessional contributions received during the year (*LCONT*). I expect the coefficients for these variables to be positive. With SMSFs being the only type of superannuation fund that has the ability to invest in assets such as artwork and collectables (*ARTWORK*), I include a dummy variable to control for this unique asset class. I expect a positive coefficient on artwork, consistent with Ettredge, Xu & Yi (2014), as this asset class may be difficult to value and there may be additional audit work to ensure that the investment satisfies the sole purpose test of providing benefits for retirement. I control for funds with reserve accounts (*RESERVEACCTS*) as reserving may be a strategy employed by trustees to ensure that a fund member does not pass the concessional-tax contribution limit. I expect a positive coefficient for this variable given its higher audit risk. Further, I include a dummy variable for whether a fund holds any investments acquired via related parties, known as in-house assets, (*INHOUSE*) as the relevant in-house asset rules applicable to SMSFs are onerous and therefore likely to require extra audit work.⁷⁶

Another control is the natural log of the cash balance of the fund (*LCASH*). The expectation is that funds with larger cash balances will have lower risk and hence should have lower audit fees. Accordingly, I expect a negative coefficient on *LCASH*. I include controls for the natural log of property (*LPROPERTY*) and shares (*LSHARES*) and expect positive coefficients as the audit complexity increases with the increased holding of these growth assets. I control for the return on assets (*ROA*) as a measure of relative performance of SMSFs. With most funds likely to employ ‘set and forget’ investment

⁷⁶ The level of in-house assets from related parties that an SMSF can hold is limited to five percent of a fund’s overall asset value. Where an SMSF exceeds the five per cent limit at the end of an income year, the *SIS Act* (1993) requires the trustee to prepare a written plan to dispose of one or more in-house assets at least equal to the value by which the five percent limit was exceeded. The Cooper Review (2010) highlighted that whilst only 2.4 percent of SMSFs held related party investments, breaches of the in-house asset rules represented 16.3 percent of all contraventions reported.

strategies, I control for funds that dispose of assets during the year (*DISPOSAL*) as this represents extra audit work and hence I expect a positive coefficient.

I include an audit report lag variable (*LAG*) for those funds that had their audit completed after the lodgement due date. As lateness may indicate incremental audit effort or the presence of contentious compliance issues, I expect a positive coefficient. With most pension funds having relatively low levels of borrowings, I exclude the current asset and quick ratios and include a further dummy variable for those funds that have borrowed funds (*BORROWING*).⁷⁷

Model for Empirical Analysis

I estimate the audit fees for SMSFs using the following OLS regression model;

$$\begin{aligned}
 LAF = & b_0 + b_1 LASSETS + b_2 PARTICIPANTS + b_3 ROA + b_4 LCASH + b_5 LPROPERTY \\
 & + b_6 LSHARES + b_7 FOREIGN + b_8 LCONT + b_9 ARTWORK + b_{10} BORROWING \\
 & + b_{11} RESERVEACCTS + b_{12} INHOUSE + b_{13} DISPOSAL + b_{14} LOSSES \\
 & + b_{15} OPINION + b_{16} LAG + b_{17} LEADER_1 + b_{18} LEADER_OTHER + e \quad (4.1)
 \end{aligned}$$

where:

LAF = natural log of audit fees of auditor signing off the fund accounts,⁷⁸
LASSETS = natural log of total assets held at the end of the year,
PARTICIPANTS = number of members within the superannuation fund,
ROA = ratio of earnings before insurance premiums, contributions and tax to total assets adjusted for the average of contributions received,⁷⁹

⁷⁷ Due to the proprietary nature of my dataset, individual audit firms cannot be identified and hence I am unable to report on specific auditor names. However, I am provided with identifiers for each of the top ten SMSF audit suppliers. Another exclusion from the traditional audit fee model is a control for year-end as all SMSFs have a reporting date of 30 June.

⁷⁸ I note that the log transformation of the dependent variable (*LAF*) and the most important independent variable (*LASSETS*) is operationalised differently to that in the broader fee literature. Commonly audit fees are expressed in thousands of dollars and then logged and assets are expressed in millions of dollars and then logged. This is likely to give a different relationship between assets and fees than a log of dollar values of each. Given the distribution of my data (fees with a mean of \$700 and assets below \$1 million), this altered model specification may impact the explanatory power and the comparability of my model to previous studies.

LCASH = natural log of cash,⁸⁰
LPROPERTY = natural log of property investments,
LSHARES = natural log of share investments,
FOREIGN = proportion of assets that represent foreign investments,
LCONT = natural log of total concessional contributions received,
ARTWORK = indicator variable, 1 = investment in artwork, collectables or jewels,
BORROWING = indicator variable, 1 = borrowings,
RESERVEACCTS = indicator variable, 1 = reserve accounts,
INHOUSE = indicator variable, 1 = in-house assets acquired from a related party,
DISPOSAL = indicator variable, 1 = disposal of an asset resulting in a CGT event,
LOSSES = indicator variable, 1 = loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made,
OPINION = indicator variable, 1 = qualified audit report,
LAG = indicator variable, 1 = audit completed after the lodgement due date,
LEADER_1 = indicator variable, 1 = auditor is the industry leader,
LEADER_OTHER = indicator variable, 1 = auditor is one of the top ten industry leaders, other than the leading auditor.

The error term, *e*, is assumed to have normal OLS regression properties.

For tests of *H1* and *H2*, two experimental variables are added to the fee model. First, I include a dummy variable for the industry leading auditor (*LEADER_1*), who, as discussed in the industry leadership section later, has almost triple the average market share of the next nine leading firms (*LEADER_OTHER*). Aside from market share, another point of differentiation between these two groups is that *LEADER_1* is an *IPA* member whilst all nine of the remaining leading auditors (*LEADER_OTHER*) are members of the *CPA*.

⁷⁹ As SMSFs generally report assets at historical cost, valuation and accounting practices might lead to incorrect calculations of ROA. However, anecdotal evidence suggests that market value reporting is becoming more common for SMSFs, particularly for those funds invested substantially in listed shares, managed funds and cash assets. There may be differences between the deductible amounts included in the SMSF annual return and the actual expenditure on fund costs. For example, such costs could include life insurance and related cover, where only a portion of the premium is deductible depending on the type of insurance cover. As insurance is optional for SMSFs members, I have excluded insurance premiums in ROA calculations for consistency. In sensitivity testing, I include insurance premiums in ROA calculations and find no change to primary results reported.

⁸⁰ Any control variable where logarithmic transformations are undertaken has '0' values re-coded to the natural log of one (i.e., zero).

Accordingly for model specification purposes, in a manner bearing similarities to Ferguson, Francis & Stokes (2003), separate dummy experimental variables are used for *LEADER_1* and *LEADER_OTHER* respectively. In sensitivity testing, I combine these two into a separate dummy experimental variable for the top ten leading auditors (*LEADER_ALL*).⁸¹

In order to test *H3*, I use a logistic regression model with a measure of audit quality as the dependent variable (Mutchler 1985; Dopuch, Holthausen & Leftwich 1987; Bell & Tabor 1991; Monroe & Teh 1993; Krishnan 1994; Fan & Wong 2005). Whilst proxies for audit quality used in the archival literature have significant limitations, the four most commonly used measures are restatements, Accounting and Auditing Enforcement Releases (AAERs), absolute discretionary accruals, going concern opinions and audit fees (DeFond & Zhang 2014). As there are no restatements nor AAERs in the SMSF setting, my proxy for audit quality is measured by the reporting of a breach or contravention (*BREACH*) of the *SIS Act 1993*.⁸² Consistent with Larcker & Richardson (2004), I include the error term (*FEERESID*) from the audit fee model as one of the independent variables. Likewise an additional dummy variable (*OTHERSERVICES*) is added to the model specification in order to consider the auditor independence implications of supplying NAS.

To test audit pricing implications of professional affiliations (*H4*), the model specification documented in Equation (1) is modified in the following manner. *LEADER_1* and *LEADER_OTHER* are removed and replaced by the following three dummy experimental variables according to the professional

⁸¹ I note that Simunic (1980) conducted a test splitting Price Waterhouse & Co from the other Big-8 audit firms.

⁸² Audit quality is considered to reflect the joint probability of finding and reporting breaches (DeAngelo 1981b). Whilst the focus in the *H3* analysis is only on reporting a breach, the ability to detect is a necessary pre-condition to reporting.

affiliation of the SMSF auditor; the Auditor-General (*AG*), registered company auditors (*RCA*) and SMSF auditors that are members of one of the three professional bodies that are required to comply with auditing and ethical standards (*CPA_ICAA_IPA*).⁸³

4.3.2 Sample

The characteristics of the sample of SMSFs are reported in Panel A of Table 4.1. In total, the data includes SMSF fund level characteristics for a random sample of 73,000 SMSFs in accumulation phase in each of the three years to 30 June 2010, that is 219,002 different funds combined.⁸⁴ The sample was modified as follows: 5,939 funds were discarded due to incomplete financial information provided in their annual returns, 112,803 funds were removed due to the audit fees paid not being separately disclosed and a further 592 funds were excluded as they had extreme absolute return on assets greater than 100 percent. The remaining 99,668 SMSF-year observations are used in the study. The 2008 financial year was the first year that audit fees were separately disclosed in the annual reports of SMSFs and could be the explanation for the steady increase in observations that have disclosed audit fees in 2009 and 2010.

Sample descriptive statistics are reported in Panel B of Table 4.1. Panel B indicates that of the 99,668 SMSFs in the sample, 29,661 (29.76 percent) are domiciled in New South Wales and 29,320 funds (29.39 percent) are based in Victoria. Queensland is the next largest market with 17,627 funds (17.69 percent) whilst Western Australia has

⁸³ Care needs to be taken with the interpretation of these results as it is possible that some auditors may be members of a few different professional bodies as well as being registered company auditors.

⁸⁴ The sample of 73,000 SMSFs each year was selected by the ATO on a random basis. My data is not a balanced panel. SMSFs that are in pension phase were not provided by the ATO as they are not entitled to a deduction for expenses incurred in deriving exempt income and do not disclose accurate information for comparative purposes. Due to privacy constraints with my dataset, I am unable to ascertain the age of neither the SMSF, its members nor the approved auditor's tenure. In addition there were no fund identifiers provided, implying my data is anonymised.

13,421 (13.47 percent). The geographic breakdown of the sample is consistent with Australia's Demographic Statistics compiled by the Australian Bureau of Statistics as at September 2012.

Industry Leadership

The market share data for the ten leading individual audit firms for the sample for both client (SMSF) numbers and audit fees is presented in Panel C of Table 4.1. The combined market share of only 4.75 percent for all SMSF observations in the sample for the ten leaders indicates that there are many individual firms conducting SMSF audits across Australia, with these leading firms only accounting for 3.27 percent of total audit fees disclosed. The leading supplier of audit services (*LEADER_1*) holds a 1.37 percent SMSF client market share (0.91 percent of audit fees disclosed), almost triple the average market share of the next nine leading firms (*LEADER_OTHER*) who hold a combined 3.38 percent share of total SMSF audit clients (2.36 percent of audit fees disclosed).

The market share by professional body affiliation is presented in Panel D of Table 4.1. In the sample, *CPA* is the largest affiliated professional body for the SMSF audit market for both clients and fees. *CPA* members audit almost half (46,668 funds) the sample, with over 60 percent more clients than members of the *ICAA* (29,292 funds). *IPA* members and registered company auditors (*RCA*) have the next largest market share with 9.2 percent of SMSF audits each. *CPA* members have a leading 51.63 percent share of SMSF audit fees with *ICAA* members accounting for 26.61 percent. I do not have any funds in the sample audited by a member of *SPAA*.

4.3.3 Data used for experimental design

Similar to Chapter 3, in order to examine these research questions the following tax return SMSF data (based on 2010 Form F as shown in Appendix A) for each financial year is used:

- Income data – labels 10G; 10Z; 10A; 10B; 10C; 10X; 10D1; 10D; 10E; 10F; 10H; 10I; 10J; 10K; 10L; 10M; 10R1; 10R2; 10R3; 10R6; 10R; 10S; 10T; 10U1; 10U2; 10U3; 10U; 10V; 11K; 11A; 11B; 11D; 11E; 11P; 11F; 11G; 11H; 11I; 11J; 11U; 11L; 11M; 11N; 11O.
- Financial info – labels 14A; 14B; 14C; 14D; 14E; 14F; 14G; 14H; 14I; 14J; 14K; 14L; 14M; 14O; 14P; 14Q; 14R; 14S; 14T; 14U; 15V; 15W; 15X; 15Y; 15Z;
- Regulatory information – labels S-IA; S-IB; S-IC; S-ID; S-IE; S-IF; S-IG; S-IH; S-II; S-IJ; S-IK; S-IL; S-IM; S-IN; S-IO;
- Number of members in SMSF;
- Audit details – date; qualification; professional body of auditor; industry leader;
- Postcode of SMSF auditor;
- Postcode of SMSF.

4.3.4 Descriptive statistics

The descriptive statistics (mean, median and standard deviation) for variables used to estimate audit fees are presented in Table 4.2. Panels A, B and C of Table 4.2 document annual descriptive statistics for SMSFs for the 2008, 2009 and 2010 years respectively whilst Panel D contains pooled descriptive statistics for all SMSF-year observations. There appears to be little difference in the descriptive statistics across the individual years, with such an interpretation supported by parametric and non-parametric

tests of differences between the years.⁸⁵ Accordingly, for discussion purposes I focus on the total sample descriptives (mean, median) reported in Panel D.

The mean (median) total assets for SMSFs in the sample are \$635,960 (\$363,100) respectively.⁸⁶ Cash and term deposits held in SMSFs have a mean (median) of \$168,029 (\$56,409). The average/median fund has over \$196,600 (\$56,900) in shares and more than \$107,700 (\$0) in property investments. Seven percent of funds hold foreign investments but cumulatively these represent only slightly more than one percent of total assets. Although the maximum is four, SMSFs in the sample have an average of 1.94 (2) members. Only two percent of funds have either artwork or borrowed funds. Just one percent of funds have reserve accounts separate from members' funds. SMSFs derive an average taxable income of \$61,432 (\$30,510), largely due to concessional contributions received of \$34,801 (\$12,640). 58 percent of fund-year observations disposed of an asset during the period that covered the Global Financial Crisis.

Mean (median) total audit fees are \$709 (\$550), indicating that the SMSF audit may be considered a credence good whilst the mean of other management and admin fees (comprising NAS and the annual supervisory levy paid to the ATO) are \$2,594 (\$1,650). Just four percent of SMSFs have qualified audit opinions (*OPINION*) whilst seven percent had breaches (*BREACH*) of the *SIS Act 1993* reported. More than one-third (34

⁸⁵ *T*-Tests of differences in means on raw descriptive statistics reported in Table 2 indicate no significant differences in means between years. Such an interpretation is not sensitive to assumptions of equality of variances (Levenes Test). Non parametric tests are conducted with no difference reported in a Wilcoxon Test and a Kolmogorov-Smirnov Test at the $p=.05$ level.

⁸⁶ The breakdown of the mean (median) total assets for each state/territory is shown at Appendix O.1 to O.8 and is as follows; Australian Capital Territory \$676,989 (\$392,099), New South Wales \$643,942 (\$355,730), Northern Territory \$612,953 (\$413,451), Queensland \$625,029 (\$362,936), South Australia \$634,820 (\$386,649), Tasmania \$546,279 (\$342,303), Victoria \$630,202 (360,860) and Western Australia \$652,441 (\$370,897). The breakdown of the mean (median) total assets of the SMSFs audited by professional body affiliation is as follows; *AG* \$571,063 (\$295,189), *ATMA* \$379,685 (\$200,878), *CPA* \$702,738 (\$399,575), *ICAA* \$579,796 (\$336,299), *IPA* \$538,875 (\$314,462), *NTAA* \$545,676 (\$329,745) and *RCA* \$666,627 (\$387,861).

percent) of SMSFs were late in lodging their report on time (*LAG*) whilst 13 percent of auditors provided other services to funds (*OTHERSERVICES*).

4.4 Results

4.4.1 Multivariate analysis

Industry expertise (HI)

To test *HI*, I begin by estimating the leading firm premiums for individual SMSF audit firms across the sample of 99,668 SMSFs as per Equation 1. Panels A, B and C of Table 4.3 report the results of the estimation for 2008, 2009 and 2010 respectively, whilst Panel D presents them for all SMSF-year observations (that is, in pooled cross-section). The model for all SMSF-year observations reported in Panel D has an *F*-statistic of 562.386, significant at $p < .001$, with an adjusted R^2 of .092. The explanatory power of this model is lower than prior Australian audit fee studies, but unsurprising given the smaller size of clients and audit fees. Control variables for size (*LASSETS* and *PARTICIPANTS*) and complexity (*LSHARES*, *LPROPERTY*, *ARTWORK*, *DISPOSALS*, *RESERVEACCTS* and *INHOUSE*) report broadly positive and significant coefficients consistent with directional expectations. With rare exception, each of these coefficients is significant in both the yearly and pooled cross-sectional analysis reported in Panel D.

In terms of other control variables, I observe that the coefficient on funds with in-house assets (*INHOUSE*), is positive and significant at $p < .001$, suggesting that more audit effort is needed when a fund engages in related party transactions. The coefficient on the fund's cash balance (*LCASH*) is positive but not significant whilst the coefficients on

SMSFs that report late (*LAG*) or receive a qualified audit opinion (*OPINION*) are positive and significant at $p < .001$ across both yearly and pooled analysis.⁸⁷

In relation to the experimental variables underpinning tests of *H1* (*LEADER_1* and *LEADER_OTHER*), both have negative and significant coefficients of $-.355$ and $-.305$ respectively (Panel D, Table 4.3). The economic interpretation of these coefficients shows that the leading SMSF auditor charges a 41.1 percent (34.7 percent for *LEADER_OTHER*) fee discount compared to non-leaders, suggestive of scale economies to the industry-leading auditors in this market segment.⁸⁸ This finding can be contrasted with Cullinan (1998a) who finds fee premiums accrue to industry leaders who audit pension funds. This is further discussed in tests of *H2* in footnote 91.

Service bundling (H2)

To analyse the existence of service bundling in my test of *H2*, I reconfigure the dependent variable from audit fees to total fees (including NAS) for an increased sample of 114,044 SMSFs.⁸⁹ The estimation model for all SMSF-year observations reported in Panel D of Table 4.4 has an *F*-statistic of 512.132, significant at $p < .001$. The model obtains an adjusted R^2 of .075. I observe that the coefficient on *LEADER_1* ($-.538$) remains negative and significant. In the light of earlier reported results, this suggests the leading supplier of SMSF audits, is a discounter of both audits and NAS. In contrast, the *LEADER_OTHER* coefficient (.132) is found to be both positive and significant at $p < .001$,

⁸⁷ All reported statistical tests are reported on a two-tailed basis unless stated otherwise. Variance Inflation Factors are lower than 4 in the primary model reported in Table 4.3. Appendix BP reports a Pearson correlation matrix between regression variables. There are no variables with more than an absolute 0.5 correlation.

⁸⁸ Identified using the Simon & Francis (1988) procedure. All reported statistical tests are reported on a two-tailed basis unless stated otherwise.

⁸⁹ Non-audit fees are not separately disclosed in the SMSF annual return but the proxy for NAS is other management and administration expenses less the annual supervisory levy of \$150 in these years. This expense category excludes the other main running costs of an SMSF such as interest, investment expenses, insurance premiums and depreciation as these are disclosed separately in the annual return.

suggesting the other nine leading firms charge a discount for their audit work, but derive a fee premium from supply of NAS. This latter result is consistent with Ferguson et al. (2014) suggesting benefits from industry experience may not manifest in the audit but rather in higher margin NAS. To the extent that the dependent variable used in Cullinan (1997, 1998a) may have included non-audit related fees paid to the independent accountant in addition to the audit fee, my results on *LEADER_OTHER* can be reconciled with the prior findings in this literature.^{90,91}

Auditor independence (H3)

Ferguson et al. (2014) identifies service bundling by auditor industry leaders in the small mining client segment in Perth. However, they do not consider auditor independence implications of service bundling. I extend recent work on service bundling by considering the independence issues associated with NAS in the SMSF setting. I adopt a logit regression modelling approach to test the relationship between breach reporting and the provision of NAS. The results of these tests are reported in Table 4.5. The LR-statistics are all significant at $p < .01$ with McFadden R^2 s ranging from .11 to .17. The model correctly classifies 88.25 percent of audits.^{92,93} I observe that supply of NAS (*OTHERSERVICES*) is positively associated with breach reporting in each of the

⁹⁰ I note that Ferguson et al. (2014) did not report an audit fee discount for the leading auditor and suggest that my SMSF setting is a higher regulation setting which is more conducive to scale economies.

⁹¹ An acknowledged limitation in Cullinan (1997, 97) is that the variable used to measure the audit fee may have included non-audit related fees paid to the independent accountant. This suggests that Cullinan's (1997) dependent variable was effectively 'total fees'. His sample data was obtained from Form 5500, Schedule C's disclosure of the name of and the fees paid to the pension plan's independent accounting firm. The instructions for this form note that the fee disclosed could include fees paid to the independent accountant for other accounting services in addition to the audit. As such, there is a possibility of measurement error in the dependent variable in both Cullinan (1997, 1998a) studies (Lindsay 1998). By virtue of the attributes of my data, I am able to address this issue in my study as audit fees are separately disclosed in the SMSF annual return.

⁹² In untabulated results, the model in Table 4.5 predicted 91.97 percent of no breaches reported correctly (83.70 percent in 2008, 91.50 percent in 2009 and 94.53 percent in 2010) and predicted 40.11 percent of breaches reported correctly (45.07 percent in 2008, 43.65 percent in 2009 and 39.56 percent in 2010).

⁹³ The mean (median) of the fee residual variable (*FEERESID*) for the pooled sample is 0.000 (-.061) with a standard deviation of 0.589.

individual yearly tests reported in Panels A-C along with the pooled model reported in Panel D at $p < .001$. In contrast to much of the audit literature arguing that non-audit supply compromises auditor independence and stifles breach reporting, I find the opposite. Auditors providing more NAS assists the supplier in ‘knowing the client’ due to information spillovers and encourages rather than inhibits reporting of breaches. Thus joint supply of audit and NAS poses no independence threats in this setting, a finding consistent with studies such as Craswell (1999); Craswell et al. (2002); Francis (2006); Ruddock et al. (2006); and Robinson (2008).

Professional body affiliation (H4)

To test *H4*, I report the results of the audit fee estimation for the various members of the different professional bodies who can audit SMSFs in Table 4.6. Once again, the pooled model reported in Panel D for all SMSF-year observations is significant at $p < .001$ with an *F*-statistic of 502.782. The impact of the control variables for the audit fee estimation for size and complexity are similar to those reported for industry leaders in Table 4.3. The experimental variables for the different professional affiliations, *AG* (.328), *RCA* (.271), *CPA_ICAA_IPA* (.213), are positive and significant at $p < .001$ and suggests a 23 percent fee premium to CPA, ICAA & IPA members. In summary, the primary results in Table 4.6 support *H4* indicating the presence of audit fee premiums to those who are either registered company auditors or members of a professional body that are required to comply with auditing and ethical standards.

4.5 Further analysis

4.5.1 Auditor impact on fund performance

In a further additional test, I consider the impact that the choice of SMSF auditor has on the fund’s performance. Intuitively, the higher the expense, the lower the returns,

hence the lower likelihood that a higher priced auditor will be selected. I propose that if a high quality audit is performed, the trustees are more likely to comply with the *SIS Act 1993 and SIS Regulations 1994* and invest in assets that generate better and more stable returns. I use an OLS regression model with the return on assets as the dependent variable and include the natural log of audit fees as one of the independent variables. In Appendix AU.1, the model for all SMSF-year observations is significant with an *F* statistic of 892.220, significant at $p < .001$, with an adjusted R^2 of .125. The coefficient for *LEADER_ALL* (-.008) is negative and significant at $p < .001$ suggesting that SMSFs who generate poor returns are likely to limit their costs by selecting a cheap auditor. When I split the leading firms in Appendix AU.2 the coefficients for *LEADER_1* (-.011) and *LEADER_OTHER* (-.006) are both negative and significant at $p < .001$. When this test is repeated for professional bodies in Appendix AU.3, I find no significant results. However, I do observe positive and significant coefficients for *ICAA* (.002) and *ATMA* (.009) at $p < .001$ when the professional body affiliations are further dissected in Appendix AU.4. I acknowledge a limitation of this test may be self-selection bias as good funds may seek good auditors (Chaney, Jeter & Shivakumar 2004). This self-selection bias might be present in the market for SMSF approved auditors. To address this issue, I use a two-stage Heckman model, consistent with prior economics of auditing literature (Ireland & Lennox 2001; Chaney, Jeter & Shivakumar 2004; Lennox, Francis & Wang 2011; Lawrence, Minutti-Meza & Zhang 2011). I calculate the variance inflation factors (VIF) on the choice model to assess the possible presence of multicollinearity. The average VIFs are lower than 1.5 among the variables, suggesting no significant multicollinearity is present. Thus, the Heckman correction results provide some evidence that the primary results in this thesis are not driven by self-selection bias.

4.6 Sensitivity tests

4.6.1 Industry leaders

I conduct sensitivity tests on reported results for each hypotheses. First, in relation to *H1*, I combine the *LEADER_1* and *LEADER_OTHER* experimental variables into one measure for the ten leading practices (*LEADER_ALL*) in Appendix R. When *LEADER_ALL* is included in the primary audit fee model (replacing *LEADER_1* and *LEADER_OTHER*), I find a negative and significant coefficient of -0.304 at $p < .001$. Second, I replace the indicator variables for *LEADER_1* and *LEADER_OTHER* with a continuous market-share variable for each leading auditor. The coefficients in each year are negative and significant, with the pooled analysis indicating a coefficient of -35.62 , significant at $p < .001$. Third, I split the sample between ‘small’ and ‘large’ SMSFs by the median of total assets for each year in Appendix S.1 and S.2. In all instances, there is no change to primary reported results in Table 4.3. Further sensitivity tests of *H1* are discussed separately in Sections 4.6.6 (by state/territory), 4.6.7 (extreme observations), 4.6.8 (influential auditors), 4.6.9 (jointness of audit and non-audit fees) and 4.6.10 (all available observations).

4.6.2 Service bundling

In relation to *H2*, when I analyse the total auditor work for all top ten leading firms in Appendix AN, the *LEADER_ALL* coefficient (-0.109) is negative and significant at $p < .001$, suggesting my results are driven by *LEADER_1*. When I repeat this analysis of total auditor work controlling for members of the various professional bodies, in Appendix AP I observe similar results to the primary audit fee model for professional bodies in Table 4.4 with the coefficients for *AG* (0.478), *RCA* (0.237) and *CPA_ICAA_IPA* (0.242) experimental variables being positive and significant at $p < .001$. I observe similar

results when I split the professional affiliations further with the coefficients for *AG* (.366), *RCA* (.127), *CPA* (.216) and *ICAA* (.037) experimental variables being positive and significant at $p < .001$. Both experimental variables for *ATMA* (-.189) and *NTAA* (-.054) were negative and significant. In further testing, in Appendix AR, I interact *CPA_ICAA_IPA* with *LEADER_ALL*. The coefficient for *CPA_ICAA_IPA* (.192) remains positive and significant and the *LEADER_ALL* coefficient (-.513) is negative and significant whilst the interaction coefficient (.469) is positive and significant at $p < .001$. In a final sensitivity test, I replace the *CPA_ICAA_IPA* experimental variable with variables for the individual professional bodies in Appendix AT. The experimental variables for *AG* (.366), *RCA* (.127), *CPA* (.216) and *ICAA* (.037) are positive and significant at $p < .001$. The coefficients for *ATMA* (-.189 at $p < .001$) and *NTAA* (-.054 at $p < .01$) are negative and significant. Further sensitivity tests of *H2* are discussed separately in Sections 4.6.5 (non-audit services).

4.6.3 Auditor independence

I conduct several sensitivity tests in relation to my test of *H3*. First, when I include an additional variable for the leading firms in Appendix BQ, there is no change to primary results reported in Table 4.5 with the supply of NAS positively associated with breach reporting across the pooled model. However, the coefficient for *LEADER_ALL* (-.740) is highly negative and significant which may suggest the leading firms may undertake cheaper audits that are slightly lower quality. Second, when I re-run this test for the professional affiliations (shown in Appendix BR), I find positive and significant results for the auditor-general and registered company auditors with a positive and significant result in 2010 for *CPA_ICAA_IPA* members. Similarly, in this model, the provision of non-audit services (*OTHERSERVICES*) is significant each year and in

pooled analysis. When I split this test for the members of the various professional bodies (shown in Appendix AL), I find positive and significant results for the auditor-general and registered company auditors with a positive and significant result in 2010 for CPA members. Third, when I split the *LEADER_ALL* variable in Appendix AI, the coefficients for *LEADER_I* (-1.386) and *LEADER_OTHER* (-.700) remain both highly negative and significant at $p < .001$. Fourth, to control for a potential correlation between breach reporting and subsequent non-audit fees, I categorise breaches as either ‘good’ or ‘bad’ depending on the severity of the contravention of the *SIS Act 1993* and the additional compliance work required.⁹⁴ Appendix AJ.1 to AJ.2 shows the split in breaches for the industry leaders and I find no difference in primary reported results in Table 4.5 although the industry leader coefficient for the ‘bad’ breaches is higher than for the ‘good’ breaches. This partition of breaches for the professional bodies is shown in Appendix AM.1 to AM.2 with similar results to Appendices AL and BR except for the 2008 cross-sectional sample for *CPA_ICAA_IPA* being negative and significant across both categories and *RCA* no longer being significant for ‘bad’ breaches. In all instances, the *OTHERSERVICES* coefficient remains positive and significant with it being consistently higher for ‘bad’ breaches.

4.6.4 Professional affiliations

A possible explanation for the audit fee premium to auditors who comply with auditing and ethical standards observed in Table 4.6 may be the perceived protection by choosing this type of auditor. However it is a requirement of all approved SMSF auditors to have appropriate professional indemnity insurance suggesting this explanation is less

⁹⁴ Breaches classified as ‘bad’ and likely to warrant additional consulting work include the following regulatory labels (as shown in Appendix A): S-IB; S-IE; S-IG; S-IH; S-II; S-IJ; S-IK; whilst the remainder were classified as ‘good’ (S-IA; S-IC; S-ID; S-IF; S-IL; S-IM; S-IN).

plausible. In further sensitivity testing in relation to *H4*, first replace the *CPA_ICAA_IPA* experimental variable with the two industry leading professional affiliations (CPA and ICAA) by dropping the IPA brand. When doing this, the coefficient on the reconfigured *CPA_ICAA* variable remains positive and significant at $p < .001$ in pooled analysis. Second, I replace the *CPA_ICAA_IPA* experimental variable with variables for the individual professional bodies in Appendix W. The experimental variables for *AG* (.261), *RCA* (.204), *CPA* (.216) and *ICAA* (.080) are positive and significant at $p < .001$. The coefficients for *ATMA* (-.150) and *NTAA* are negative, but significant only for *ATMA*. In other tests, I interact *CPA_ICAA_IPA* with *LEADER_ALL* in Appendix U. The coefficient for *CPA_ICAA_IPA* (.179) remains positive and significant and the *LEADER_ALL* coefficient (-.432) remains negative and significant whilst the interaction coefficient (.163) is positive and significant at $p < .001$. When I split the sample between ‘small’ and ‘large’ SMSFs by median total assets each year in Appendix Y.1 and Y.2, I find no difference in primary reported results in Table 4.4.

4.6.5 Non-audit services

Consistent with prior studies such as Craswell, Francis & Taylor (1995) and Ferguson & Stokes (2002), I reconfigure the dependent variable to NAS only eliminating funds not having NAS which decreases the sample to 11,016 SMSFs and include the log of audit fees (*LAF*) as an independent variable. Since there are insufficient observations to individually test *LEADER_1* and *LEADER_OTHER* in this reduced sample, the experimental variable is *LEADER_ALL*. The estimation of non-audit fees for the leading individual audit firms is reported in Appendix BS. The model is significant with an *F*-statistic of 123.483, significant at $p < .001$, with an adjusted R^2 of .167. The coefficient on *LEADER_ALL* (.700) is positive and significant, suggesting that whilst industry leaders

charge discounts for audits, they derive significant fee premiums from the supply of NAS consistent with the service bundling interpretation. Interestingly, the coefficient for *LAF* (-.267) is negative and significant at $p < .001$, in contrast with most prior findings that observe a positive relationship between audit fees and NAS (Hay, Knechel & Wong 2006).⁹⁵ This implies the more NAS an auditor supplies the cheaper the audit becomes. Consistent with my earlier reported results on auditor independence, I do not observe any significant result for *OPINION* suggesting that breach reporting does not affect the supply of additional NAS.

I repeat this analysis, testing the implications of membership of the various professional bodies on the level of non-audit fees (shown in Appendix BT). I observe positive and significant coefficients for *CPA_ICAA_IPA* (.156) at $p < .001$, for *AG* (.401) at $p < .01$ and *RCA* (.121) at $p < .05$ indicating the presence of NAS fee premiums to members of these professional bodies compared to those that do not comply with auditing and ethical standards. In conjunction with the primary audit fee results reported in Table 4.6, I infer that the type of professional body affiliation matters in the small client segment, consistent with Dunmore & Falk (2001).

Appendix O.9 shows the descriptive statistics for the sample of 11,016 SMSFs that receive other services from their auditor. Total assets across the pooled sample are \$613,051 which is less than the overall audit sample previously shown in Table 4.2. In Appendices BS and BT, I observed a negative relationship being present between NAS and audit fees. In further sensitivity testing of this observation, I place the log of non-audit fees (*LNAF*) as an additional independent variable in the primary audit fee models shown in Tables 4.3 and 4.4. In Appendices AB and AG I still find a significant but

⁹⁵ An alternative explanation to this negative relationship could be the misclassification of audit and NAS fees.

negative relationship at $p < .001$ for this sub-sample with the coefficients for *LNAF* being -.130 and -.158 respectively. I split the *LEADER_ALL* experimental variable between the leading firm (*LEADER_I*) and the other top ten leading practices (*LEADER_OTHER*) with results reported in Appendix AC I find a positive and significant coefficient of .700 for *LEADER_OTHER* at $p < .001$. In a final sensitivity test, when I replace *OPINION* with *BREACH* (in Appendices AA and AF), I do not find a significant relationship between NAS and breach reporting and there is no change to results in Appendices BS and BT, suggesting that breach reporting is not affected by supply of additional NAS.⁹⁶

4.6.6 State/territory sub-samples

In Panel B of Table 4.1 I reported the breakdown of the sample amongst the various regions of Australia. In sensitivity tests, I analyse the results by the respective state and territory sub-samples.⁹⁷ The breakdown of the mean (median) total assets for each state/territory is shown at Appendix O.1 to O.8 and as follows; Australian Capital Territory \$676,989 (\$392,099), New South Wales \$643,942 (\$355,730), Northern Territory \$612,953 (\$413,451), Queensland \$625,029 (\$362,936), South Australia \$634,820 (\$386,649), Tasmania \$546,279 (\$342,303), Victoria \$630,202 (360,860) and Western Australia \$652,441 (\$370,897). The breakdown of the mean (median) total assets of the SMSFs audited by auditor professional body affiliation is shown at Appendix P.1 to P.7 and as follows; *AG* \$571,063 (\$295,189), *ATMA* \$379,685

⁹⁶ In further sensitivity testing of NAS, I interact *CPA_ICAA_IPA* with *LEADER_ALL* in Appendix AE but do not have sufficient observations to report a result for this test. The coefficients for *CPA_ICAA_IPA* (.108) and the *LEADER_ALL* coefficient (.694) remains positive and significant at $p < .001$.

⁹⁷ In general, most audit fee evidence is generated from market-wide samples across industries, although recent literature highlights the importance of city-level reputation effects (Ferguson, Francis & Stokes 2003; Fung, Gul & Krishnan 2012). It is recommended that a city-level analysis of the SMSF market should be conducted in post-doctoral research and its absence is acknowledged as a limitation in this thesis.

(\$200,878), *CPA* \$702,738 (\$399,575), *ICAA* \$579,796 (\$336,299), *IPA* \$538,875 (\$314,462), *NTAA* \$545,676 (\$329,745) and *RCA* \$666,627 (\$387,861).

When undertaking sub-sample tests of audit fee premiums for industry leaders by states and territories across Australia at Appendix Q.1 to Appendix Q.6 I observe negative and significant coefficients for *LEADER_ALL* at $p < .001$ for New South Wales, Queensland, South Australia, Victoria and Western Australia. Only Australian Capital Territory (sample of 1,119 SMSFs) reports a positive and significant coefficient in the 2009 year at $p < .05$ and across the pooled sample $p < .1$. Northern Territory and Tasmania did not have a national top ten leader domiciled in their respective regions.

When I analyse the test of audit fee premiums for professional bodies by states and territories across Australia in Appendix T.1 to T.8 I have positive and significant coefficients for *AG*, *RCA* and *CPA_ICAA_CPA* in most instances at $p < .001$ for Australian Capital Territory, New South Wales, Northern Territory, Victoria, Tasmania and Western Australia. Queensland and South Australia did not report a significant coefficient. In further testing, in Appendix V.1 to V.4, I interact *CPA_ICAA_IPA* with *LEADER_ALL* across the various regions and find similar results to the sensitivity test for the national sample at Appendix U. When I replace the *CPA_ICAA_IPA* experimental variable with variables for the individual professional bodies in Appendix X.1 to X.8 I observe that the experimental variables for *AG*, *RCA*, *CPA* and *ICAA* are broadly positive and significant at $p < .001$. The coefficients for *ATMA* and *NTAA* are broadly negative and significant, although *ATMA* in Queensland (.194) and South Australia (.210) is positive and significant at $p < .001$.

Appendices Z.1 to Z.3 and AD.1 to AD.6 analyse the premiums for non-audit services for industry leaders and professional bodies respectively. The results broadly report similar results to Tables 4.7 and Table 4.8. When I split the audit quality model

according to states and territories, Appendix AH.1 to AH.4 broadly reports a negative and significant coefficient at $p < .001$ for *LEADER_ALL*. Appendix AK.1 to AK.4 reports mixed results with a positive and significant coefficient for *CPA_ICAA_IPA* in Queensland (.668) and Victoria (.652) but negative and significant coefficient for the experimental variable in NSW (-.246) and South Australia (-1.214).

When I analyse the total auditor work for all top ten leading firms across the different states and territories in Appendix AO.1 to AO.6, the *LEADER_ALL* coefficient is broadly negative and significant at $p < .001$ except in Western Australia where it is highly positive and significant at $p < .001$, a region where a similar result was found in the Perth mining market by Ferguson et al. (2013). When I conduct a similar sensitivity test for the professional bodies in Appendix AQ.1 to AQ.8, the coefficients for *AG*, *RCA* and *CPA_ICAA_IPA* broadly remain positive and significant at $p < .001$ although I do find a negative coefficient for *RCA* in Queensland and positive but not significant coefficients in the Australian Capital Territory, Northern Territory and South Australia where there are smaller sample sizes available.

In final sensitivity testing of total auditor work in Appendix AS.1 to AS.4, I interact *CPA_ICAA_IPA* with *LEADER_ALL* across the regions. For the two largest sub-samples (NSW and Victoria), the coefficient for *CPA_ICAA_IPA* remains positive and significant and the *LEADER_ALL* coefficient is negative and significant whilst the interaction coefficient is positive and significant whilst the Queensland and South Australian sub-samples show mostly insignificant coefficients for these variables.

4.6.7 Extreme observations

I expand my sample to 100,249 by re-admitting some previously excluded observations by increasing the extreme return on asset threshold to 10,000 percent. The

primary tests for Tables 4.3 to 4.9 are replicated for the increase sample and shown in Appendices AV through to BC. In all instances there are no changes in primary reported results.

4.6.8 Influential auditors

To ensure that the primary results shown in Tables 4.3, 4.5 and 4.7 are not influenced by one particular auditor, consistent with Craswell et al. (1995), I remove each of the leading top ten auditors one at a time and re-run the respective tests. Appendix BD.1 to BD.10 reports the audit fee estimation for industry leaders with no change to primary results shown in Table 4.3 with the coefficient for *LEADER_ALL* remaining negative and significant in all instances. The revised audit quality estimation for industry leaders is documented in Appendix BF.1 to BF.10. Once again there is no change to the primary results depicted in Table 4.5 with the coefficient for *LEADER_ALL* remaining highly negative and significant in all instances. Appendix BH only shows the NAS fee estimation without the sixth biggest supplier of audits (*LEADER_6*) included in *LEADER_ALL* as it is the sole leading auditor that provided other services to more than a dozen clients in my sample. The *LEADER_ALL* coefficient is only positive and significant for the 2010 cross-sectional sample and the pooled sample at $p < .01$.⁹⁸

⁹⁸ I replicate similar sensitivity tests for professional body members by excluding one state or territory at a time. Appendix BE.1 to BE.8 reports the audit fee estimation for professional body premiums with no change to primary results shown in Table 4.4 with the coefficients for *AG*, *RCA* and *CPA_ICAA_IPA* remaining positive and significant in all instances at $p < .001$. Appendix BG.1 to BG.8 reports similar results to Table 4.6 for the audit quality estimation for professional body members in most regions. However, I observe a positive and significant coefficient for *CPA_ICAA_IPA* when the NSW and SA observations are separately removed (see Appendix BG.2 and BG.5) but a negative and coefficient when the VIC observations are deleted (see Appendix BG.8). Appendix BI.1 to BI.8 reports the NAS estimation for professional body members with results consistent to the primary results reported in Table 4.8 for *AG*, *RCA* and *CPA_ICAA_IPA*.

4.6.9 Jointness of audit and non-audit fees

There is a possibility that my models have not taken into account the cross-elasticity between audit and non-audit fees. To reduce this concern, I remove all observations where other services were provided by the auditor, resulting in a reduced sample of 86,557 observations. I observe similar results in Appendix BJ to Table 4.3 (for industry leaders) and in Appendix BK to Table 4.4 (for professional body premiums) indicating that the primary results reported may not be driven by the level of non-audit fees paid to approved auditors. When I re-run the audit quality test in Appendix BL, I observe no change to Table 4.7 for the lower sample for industry leaders with *LEADER_ALL* (-.611) remaining highly negative and significant. However, I now observe a positive and significant coefficient for *CPA_ICAA_IPA* (.179) at $p < .01$ for the audit quality test of professional body members shown in Appendix BM.⁹⁹ Another way to alleviate the jointness of fees concern is to redefine the dependent variable as total auditor work which has been discussed separately in Sections 4.5.2 and 4.6.5.

4.6.10 All available observations

Panel A of Table 1 show that more than half of the total observations received in the dataset provided by the ATO had been deleted from analysis in this chapter due to no audit fee being separately disclosed in the annual SMSF return. In Appendices BN and BO, I use the same sample of 209,420 observations used in my analysis in Chapter 3. I re-define the dependent variable of the audit fee model to combine audit fees, NAS as well as management and administration expenses. The latter is the most likely expense category within the annual return where audit fees (together with non-audit services) is

⁹⁹ As I have removed all observations where the auditor has provided other services I cannot conduct the *H3* test for independence in the sensitivity tests shown in Appendices BL and BM and have removed *OTHERSERVICES* from the model accordingly.

most likely to appear so this re-defined dependent variable is a proxy for total fees for the larger sample. I observe a positive and significant coefficient for *LEADER_ALL* (.115) in Appendix BN, a result similar to *LEADER_OTHER* in Table 4.9. When I run the test the professional body premiums in Appendix BO, I find positive and significant coefficients for *RCA* (.130) and *CPA_ICAA_IPA* (.079) but no significant result for *AG*.

4.7 Summary and conclusions

Using a large sample of proprietary ATO data, I examine audit pricing in the SMSF segment - the fastest growing and largest sector of the \$1.8 trillion Australian retirement savings industry. This sample has the advantage of having a large number of ‘small’ and relatively homogeneous clients in a well-defined, highly-regulated industry. My study is subject to limitations in the form of the review period falling within the Global Financial Crisis and my sample only comprising SMSFs in the accumulation phase (I do not have data on the APRA-regulated funds).

I report four primary findings. First, in a setting characterised by the absence of agency costs where demand side incentives to purchase quality auditing are low, I find significant audit fee discounts for leading individual auditors, with larger suppliers charging lower fees. Second, when the dependent variable is redefined as total auditor work, I observe leaders (apart from the biggest firm) earning a premium for a service bundle. Large suppliers appear willing to adopt a strategy geared towards providing lower priced audits as a conduit to supplying higher margin non-audit services.

Third, despite much controversy existing in the literature and concerns from regulators globally relating to audit firms providing other services, I report that the supply of NAS improves auditors’ ability to report breaches. This may be due to enhanced client

understanding derived from learning through joint supply of audit and NAS. This result is observed after controlling for fund performance. Accordingly my evidence would suggest moratoriums on auditors providing NAS suggested in the Cooper Review due to auditor independence concerns are unwarranted on two levels. Firstly, compliance standards in this industry are high as evidenced by low levels of breaches reported and audit qualifications. Secondly, the supply of NAS by approved SMSF auditors poses no independence threat. Last, I find that registered company auditors and members of professional bodies who are required to comply with auditing and ethical standards charge higher audit fees than SMSF auditors from other professional bodies.

4.8 Chapter 4 figures and tables

Table 4.1: Self-managed superannuation funds sample by year, 2008-2010

Panel A - SMSF-year observations in sample, 2008-2010

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Total</u>
SMSF-year observations received from ATO	73,002	73,000	73,000	219,002
Less: Observations removed due to incomplete information	- 3,408	- 1,393	- 1,138	- 5,939
Less: Observations removed due to no audit fee disclosed	- 42,357	- 37,643	- 32,803	- 112,803
Less: Extreme observations removed	- 162	- 199	- 231	- 592
Remaining SMSF-year observations with audit fee disclosed	<u>27,075</u>	<u>33,765</u>	<u>38,828</u>	<u>99,668</u>

Panel B - Percentage of SMSF-year observations in sample by state

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>Total</u>	<u>Australian Population^a</u>
Australian Capital Territory (ACT)	1.10%	1.15%	1.12%	1.12%	1.65%
New South Wales (NSW)	29.94%	29.83%	29.57%	29.76%	32.10%
Northern Territory (NT)	0.19%	0.17%	0.18%	0.18%	1.04%
Queensland (QLD)	18.05%	17.65%	17.46%	17.69%	20.12%
South Australia (SA)	6.42%	6.94%	7.23%	6.91%	7.28%
Tasmania (TAS)	1.46%	1.36%	1.54%	1.46%	2.25%
Victoria (VIC)	29.80%	29.08%	29.45%	29.39%	24.80%
Western Australia (WA)	13.05%	13.82%	13.45%	13.47%	10.76%
	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

^a Source: Australian Bureau of Statistics (2012a)

Panel C - leading individual audit firms

	Clients (sample)	% market (clients)	Audit fees (sample)	% market (fees)
<i>LEADER_1</i>	1,369	1.37%	640,960	0.91%
<i>LEADER_OTHER</i>	3,368	3.38%	1,664,602	2.36%
<i>LEADER_ALL</i>	<u>4,737</u>	<u>4.75%</u>	<u>2,305,562</u>	<u>3.27%</u>

LEADER_1 = 1 if leading auditor, LEADER_OTHER = 1 if top ten leading auditor, other than leading auditor, LEADER_ALL = 1 if top ten leading auditor.

Panel D - auditor by professional body affiliation

	Clients (sample)	% market (clients)	Audit fees (sample)	% market (fees)
<i>AG</i>	100	0.10%	77,700	0.11%
<i>ATMA</i>	2,353	2.36%	1,167,428	1.66%
<i>CPA</i>	46,668	47.29%	36,374,712	51.63%
<i>ICAA</i>	29,292	29.39%	18,745,898	26.61%
<i>IPA</i>	9,197	9.26%	5,433,501	7.71%
<i>NTAA</i>	2,824	2.33%	1,650,919	2.34%
<i>RCA</i>	9,234	9.26%	7,003,309	9.94%
<i>SPAA</i>	-	0.00%	-	0.00%
	<u>99,668</u>	<u>100.00%</u>	<u>70,453,467</u>	<u>100.00%</u>

AG = Auditor-General of the Commonwealth, a state or territory or a delegate of the Auditor-General, ATMA = Association of Taxation and Management Accountants, CPA = Australian Society of Certified Practising Accountants, ICAA = Institute of Chartered Accountants in Australia, NTAA = National Taxation and Accountants' Association, RCA = registered company auditor, SPAA = SMSF Professionals' Association of Australia.

Table 4.2: Descriptive statistics of Australian self-managed superannuation funds (SMSFs) sample, 2008-2010

	Panel A (2008 year n=27,075)			Panel B (2009 year n=33,765)			Panel C (2010 year n=38,828)			Panel D (All years n=99,668)		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Cash and term deposits	168745.10	53838.00	361236.90	171876.50	58800.00	350856.30	164186.00	56243.50	336038.90	168029.90	56409.50	348068.30
Shares investments	221606.80	64885.00	515687.50	178434.00	52587.00	401659.20	195104.70	56201.00	767698.00	196656.40	56916.50	597303.00
Property investments	103070.10	-	385751.50	106227.70	-	351748.00	112220.30	-	351785.60	107704.50	-	361332.50
Artwork, collectables, jewels	1175.54	-	16117.79	1384.94	-	24402.28	1622.38	-	28336.48	1420.56	-	24189.53
Overseas assets	8883.78	-	117949.80	6082.57	-	76888.89	6260.41	-	81628.69	6912.80	-	91537.77
Total assets	680824.70	389246.00	1066608.00	611966.80	348759.00	876806.20	625541.90	357119.50	1087279.00	635960.70	363100.50	1015283.00
Borrowings	1141.61	-	29244.71	4416.19	-	80108.36	7924.32	-	86331.85	4893.32	-	72919.93
Reserve accounts	554.20	-	16998.82	459.04	-	13581.15	722.92	-	40228.27	587.69	-	27774.71
Concessional contributions	42944.30	14216.00	58809.44	39508.85	12374.00	55840.34	25028.97	12000.00	30714.10	34801.12	12639.50	49254.94
Assessable income	85963.49	47569.00	114489.90	73579.45	37177.00	119296.90	54067.27	31837.00	74158.61	69342.17	37054.00	103423.50
Approved auditor fee	709.51	506.00	753.16	717.99	550.00	717.65	701.20	550.00	629.48	709.14	550.00	694.97
Management and admin fees	2626.00	1521.00	7892.45	2563.43	1673.00	4117.83	2599.77	1723.00	4169.96	2594.58	1650.00	5425.85
Total deductions	7371.65	3735.00	18556.03	8305.37	3922.00	78177.89	7925.93	3954.00	19900.63	7903.90	3883.00	48150.03
Taxable income	78576.09	41019.00	109430.30	65267.46	30662.00	93846.61	46141.52	25272.00	69342.74	61431.81	30510.50	91025.53
<i>LAF</i>	6.32	6.23	.65	6.36	6.31	.62	6.35	6.31	.60	6.34	6.31	.62
<i>LTOTALFEES</i>	6.46	6.31	.82	6.49	6.31	.77	6.46	6.31	.74	6.47	6.31	.78
<i>LASSETS</i>	12.81	12.87	1.16	12.69	12.76	1.18	12.72	12.79	1.17	12.73	12.80	1.17
<i>PARTICIPANTS</i>	1.93	2.00	.66	1.94	2.00	.66	1.94	2.00	.64	1.94	2.00	.66
<i>LCASH</i>	10.54	10.89	2.34	10.60	10.98	2.30	10.62	10.94	2.21	10.59	10.94	2.28
<i>LPROPERTY</i>	2.77	.00	5.23	2.67	.00	5.19	2.71	.00	5.23	2.71	.00	5.22
<i>LSHARES</i>	8.27	11.10	5.50	8.03	10.88	5.46	7.96	10.95	5.57	8.07	10.96	5.52
<i>FOREIGN</i>	.07			.07			.07			.07		
<i>LCONT</i>	7.78	9.56	4.48	7.65	9.42	4.47	7.45	9.39	4.33	7.60	9.44	4.42
<i>ARTWORK</i>	.02			.02			.02			.02		
<i>BORROWING</i>	.01			.02			.03			.02		
<i>INHOUSE</i>	.03			.02			.02			.02		
<i>DISPOSAL</i>	.67			.54			.54			.58		
<i>LOSSES</i>	.11			.16			.19			.16		
<i>OPINION</i>	.05			.04			.04			.04		
<i>BREACH</i>	.09			.07			.06			.07		
<i>LAG</i>	.43			.31			.29			.34		
<i>OTHERSERVICES</i>	.16			.14			.11			.13		

Table 4.3: Audit fee estimation of industry leader premiums for Australian SMSFs sample, 2008-2010
(Dependent variable is log of audit fees)

	<u>Panel A (2008 year n=27,075)</u>			<u>Panel B (2009 year n=33,765)</u>			<u>Panel C (2010 year n=38,828)</u>			<u>Panel D (All years n=99,668)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.482	85.426	.000	4.411	95.476	.000	4.337	99.528	.000	4.413	163.576	.000
<i>LASSETS</i>	.131	28.661	.000	.139	34.176	.000	.149	38.273	.000	.140	58.786	.000
<i>PARTICIPANTS</i>	.008	1.301	.193	.023	4.398	.000	.013	2.629	.009	.015	4.970	.000
<i>ROA</i>	-.079	-1.229	.219	-.613	-7.786	.000	-.597	-9.261	.000	-.456	-11.907	.000
<i>LCASH</i>	-.000	-.140	.889	.002	1.114	.265	-.001	-.721	.471	.000	.318	.751
<i>LPROPERTY</i>	.001	1.414	.157	.002	2.161	.031	.001	2.253	.024	.001	3.008	.003
<i>LSHARES</i>	.004	4.773	.000	.006	9.155	.000	.005	8.743	.000	.005	13.649	.000
<i>FOREIGN</i>	-.015	-.0975	.330	-.006	-.473	.636	-.020	-1.722	.085	-.013	-1.783	.075
<i>LCONT</i>	.001	1.111	.267	.001	1.012	.311	.001	1.054	.292	.001	1.501	.133
<i>ARTWORK</i>	.138	4.974	.000	.137	5.551	.000	.102	4.558	.000	.125	8.741	.000
<i>BORROWING</i>	.022	.623	.533	-.058	-2.239	.025	-.108	-6.083	.000	-.065	-4.813	.000
<i>RESERVEACCTS</i>	.154	2.569	.010	.152	2.893	.004	.004	.123	.902	.085	3.2997	.001
<i>INHOUSE</i>	.117	4.169	.000	.123	5.519	.000	.102	4.586	.000	.113	8.221	.000
<i>DISPOSAL</i>	.094	9.835	.000	.071	9.787	.000	.058	8.681	.000	.067	15.477	.000
<i>LOSSES</i>	.194	12.572	.000	.124	10.503	.000	.142	14.822	.000	.147	22.268	.000
<i>OPINION</i>	.086	4.255	.000	.112	6.390	.000	.084	5.123	.000	.093	9.012	.000
<i>LAG</i>	.057	7.370	.000	.065	9.174	.000	.070	10.459	.000	.060	14.669	.000
<i>LEADER_1</i>	-.423	-22.819	.000	-.417	-19.967	.000	-.264	-15.811	.000	-.355	-31.956	.000
<i>LEADER_OTHER</i>	-.187	-11.010	.000	-.335	-21.852	.000	-.356	-26.495	.000	-.305	-34.932	.000
F-statistic		124.319	.000		210.441	.000		249.636	.000		562.386	.000
Adjusted R ²		.076			.100			.103			.092	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LEADER_1* = 1 if leading auditor, *LEADER_OTHER* = 1 if top ten leading auditor, other than leading auditor.

**Table 4.4: Total fee estimation of industry leader premiums for Australian SMSFs sample in accumulation phase, 2008-2010
redefining dependent variable as total auditor work
(Dependent variable is log of combined audit and non-audit fees)**

	<u>Panel A (2008 year n=33,578)</u>			<u>Panel B (2009 year n=38,238)</u>			<u>Panel C (2010 year n=42,228)</u>			<u>Panel D (All years n=114,044)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	3.459	44.244	.000	3.724	54.910	.000	3.747	60.213	.000	3.672	92.477	.000
<i>LASSETS</i>	.225	33.037	.000	.209	34.771	.000	.203	37.233	.000	.211	60.330	.000
<i>PARTICIPANTS</i>	.015	1.635	.102	.028	3.722	.000	.005	.747	.455	.016	3.577	.000
<i>ROA</i>	-.343	-3.602	.000	-1.184	-10.468	.000	-.926	-10.634	.000	-.717	-13.091	.000
<i>LCASH</i>	-.007	-2.554	.011	-.004	-1.445	.149	-.001	-.386	.700	-.004	-2.700	.007
<i>LPROPERTY</i>	.005	4.000	.000	.001	1.423	.155	.003	3.110	.002	.003	4.518	.000
<i>LSHARES</i>	.003	2.695	.007	.008	7.710	.000	.007	8.005	.000	.006	10.704	.000
<i>FOREIGN</i>	-.046	-2.137	.033	-.041	-2.217	.027	-.038	-2.348	.019	-.041	-3.785	.000
<i>LCONT</i>	-.004	-2.746	.006	-.001	-1.263	.207	-.001	-.637	.524	-.002	-2.584	.010
<i>ARTWORK</i>	.249	6.116	.000	.197	5.844	.000	.113	3.641	.000	.185	9.114	.000
<i>BORROWING</i>	-.000	-.005	.996	-.078	-2.062	.039	-.108	-4.022	.000	-.085	-4.132	.000
<i>RESERVEACCTS</i>	.121	1.655	.098	.103	1.667	.096	-.037	-.842	.400	.038	1.171	.242
<i>INHOUSE</i>	.037	.898	.369	.076	2.322	.020	.084	2.798	.005	.067	3.335	.001
<i>DISPOSAL</i>	.248	16.925	.000	.133	12.315	.000	.109	11.543	.000	.153	23.707	.000
<i>LOSSES</i>	.284	12.138	.000	.164	9.233	.000	.213	15.896	.000	.218	22.092	.000
<i>OPINION</i>	.048	1.639	.101	.132	5.036	.000	.105	4.455	.000	.095	6.180	.000
<i>LAG</i>	.038	3.243	.001	.022	2.010	.044	.055	5.861	.000	.039	6.404	.000
<i>LEADER_1</i>	-.659	-30.129	.000	-.592	-26.708	.000	-.414	-23.393	.000	-.538	-44.847	.000
<i>LEADER_OTHER</i>	.265	6.489	.000	.112	3.159	.002	.064	2.045	.041	.132	6.486	.000
F-statistic		159.205	.000		171.002	.000		199.145	.000		512.132	.000
Adjusted R ²		.078			.074			.078			.075	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LEADER_1* = 1 if leading auditor, *LEADER_OTHER* = 1 if top ten leading auditor, other than leading auditor.

**Table 4.5: Audit quality estimation for industry leaders for Australian SMSFs sample, 2008-2010
(Dependent variable is breaches reported)**

	<u>Panel A (2008 year n=27,075)</u>			<u>Panel B (2009 year n=33,765)</u>			<u>Panel C (2010 year n=38,828)</u>			<u>Panel D (All years n=99,668)</u>		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.604	-15.235	0.000	-6.044	-18.540	0.000	-6.657	-19.285	0.000	-5.742	-30.537	0.000
<i>LASSETS</i>	0.223	8.826	0.000	0.343	12.592	0.000	0.360	12.765	0.000	0.303	19.445	0.000
<i>PARTICIPANTS</i>	0.064	1.979	0.048	0.104	3.175	0.002	0.127	3.685	0.000	0.095	4.945	0.000
<i>ROA</i>	0.761	1.951	0.051	1.138	2.068	0.039	1.780	3.790	0.000	1.758	6.947	0.000
<i>LCASH</i>	-0.056	-6.228	0.000	-0.107	-12.530	0.000	-0.094	-10.389	0.000	-0.087	-17.122	0.000
<i>LPROPERTY</i>	-0.009	-1.936	0.053	-0.020	-4.062	0.000	-0.015	-3.093	0.002	-0.014	-5.005	0.000
<i>LSHARES</i>	-0.020	-4.526	0.000	-0.040	-8.877	0.000	-0.036	-8.155	0.000	-0.033	-12.994	0.000
<i>FOREIGN</i>	-0.363	-3.606	0.000	-0.298	-2.715	0.007	-0.410	-3.537	0.000	-0.348	-5.568	0.000
<i>ARTWORK</i>	0.311	2.441	0.015	0.160	1.171	0.242	0.254	1.844	0.065	0.243	3.160	0.002
<i>BORROWING</i>	0.267	1.507	0.132	0.325	2.204	0.028	-0.113	-0.863	0.388	0.054	0.643	0.520
<i>INHOUSE</i>	2.144	25.296	0.000	2.448	28.627	0.000	2.621	32.709	0.000	2.401	50.184	0.000
<i>DISPOSAL</i>	-0.474	-8.560	0.000	-0.487	-9.191	0.000	-0.510	-9.392	0.000	-0.452	-14.725	0.000
<i>LOSSES</i>	0.226	2.799	0.005	0.235	3.080	0.002	0.253	3.533	0.000	0.224	5.243	0.000
<i>OPINION</i>	1.802	26.436	0.000	2.104	31.175	0.000	2.164	32.092	0.000	2.028	52.186	0.000
<i>LAG</i>	-0.008	-0.172	0.864	0.265	5.443	0.000	0.237	4.779	0.000	0.210	7.671	0.000
<i>FEERESID</i>	0.188	5.378	0.000	0.291	7.610	0.000	0.242	6.173	0.000	0.225	10.340	0.000
<i>OTHERSERVICES</i>	0.338	5.892	0.000	0.337	5.359	0.000	0.243	3.532	0.000	0.349	9.710	0.000
LR-statistic		1821.933	0.000		2863.523	0.000		2938.423	0.000		7531.258	0.000
McFadden R ²		0.109			0.166			0.169			0.146	
Total correctly predicted		80.13%			88.13%			91.30%			88.25%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 3, *OTHERSERVICES* = 1 if auditor provided other services.

Table 4.6: Audit fee estimation of professional body premiums for Australian SMSFs sample, 2008-2010
(Dependent variable is log of audit fees)

	<u>Panel A (2008 year n=27,075)</u>			<u>Panel B (2009 year n=33,765)</u>			<u>Panel C (2010 year n=38,828)</u>			<u>Panel D (All years n=99,668)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.431	80.667	.000	4.243	89.686	.000	4.130	94.176	.000	4.248	153.665	.000
<i>LASSETS</i>	.128	27.969	.000	.135	33.191	.000	.144	37.284	.000	.136	57.244	.000
<i>PARTICIPANTS</i>	.009	1.493	.136	.024	4.608	.000	.014	2.971	.003	.016	5.411	.000
<i>ROA</i>	-.059	-.909	.363	-.569	-7.257	.000	-.554	-8.671	.000	-.427	-11.176	.000
<i>LCASH</i>	-.000	-.196	.845	.001	.776	.438	-.002	-1.047	.295	-.000	-.163	.870
<i>LPROPERTY</i>	.002	2.089	.037	.002	3.015	.003	.002	2.626	.009	.002	4.150	.000
<i>LSHARES</i>	.003	4.647	.000	.006	8.920	.000	.005	8.297	.000	.005	13.221	.000
<i>FOREIGN</i>	-.022	-1.485	.138	-.014	-1.068	.286	-.022	-1.945	.052	-.020	-2.695	.008
<i>LCONT</i>	.001	1.234	.217	.001	1.415	.157	.001	1.308	.191	.001	1.938	.053
<i>ARTWORK</i>	.146	5.255	.000	.149	6.054	.000	.116	5.179	.000	.136	9.554	.000
<i>BORROWING</i>	.028	.770	.442	-.062	-2.352	.019	-.100	-5.689	.000	-.062	-4.571	.000
<i>RESERVEACCTS</i>	.158	2.609	.009	.159	3.001	.003	.008	.263	.793	.089	3.458	.001
<i>INHOUSE</i>	.122	4.338	.000	.122	5.486	.000	.107	4.861	.000	.117	8.463	.000
<i>DISPOSAL</i>	.087	9.128	.000	.060	8.307	.000	.048	7.290	.000	.058	13.363	.000
<i>LOSSES</i>	.194	12.607	.000	.124	10.482	.000	.138	14.444	.000	.146	22.043	.000
<i>OPINION</i>	.089	4.423	.000	.115	6.474	.000	.071	4.295	.000	.092	8.798	.000
<i>LAG</i>	.053	6.803	.000	.059	8.188	.000	.067	10.067	.000	.055	13.377	.000
<i>AG</i>	.193	1.995	.046	.328	4.831	.000				.328	6.003	.000
<i>RCA</i>	.124	5.957	.000	.286	16.569	.000	.331	22.038	.000	.271	27.121	.000
<i>CPA_ICAA_IPA</i>	.080	4.570	.000	.215	15.214	.000	.275	22.998	.000	.213	26.188	.000
F-statistic		106.615	.000		183.043	.000		249.156	.000		502.782	.000
Adjusted R ²		.069			.093			.103			.087	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

CHAPTER 5

SUMMARY AND CONCLUSIONS

5.1 Summary

Using proprietary Australian Tax Office (ATO) data, this thesis has documented the size, asset allocation and expenses and examined auditor industry specialisation, professional brand effects and auditor independence implications for a large sample of Australian self-managed superannuation funds (SMSFs) for the three fiscal years to June 2010. In Chapter 2 I provided a brief overview of the superannuation industry in Australia including an introduction to its largest segment, self-managed superannuation funds. Since the introduction of compulsory superannuation the growth of the Australian retirement savings industry has increased twelve-fold to \$1.8 trillion, the equivalent of the country's GDP for an entire year. The main attractions of SMSFs to individuals are the regulatory arrangements which provide increased flexibility in relation to scope of investment options such as investing in direct assets (shares and property, including business premises) and lower management and administration fees.

In Chapter 3 I addressed the paucity of basic research relating to the SMSF segment in general and the costs associated with running an SMSF in particular, a specific concern of two recent Government reviews. As expected, I observe that SMSFs enjoy economies of scale with the median cost, excluding insurance, to operate an SMSF being 0.45 percent of assets, approximately half that of industry and retail funds. I estimate that the potential lifetime cost-saving benefits are as much as \$304,000 for the average 35 year old working couple.

Given the relatively low-cost structure of SMSFs, it is not surprising that I find evidence of fee discounting for the leading suppliers of SMSF audits in Chapter 4, consistent with Simunic (1980)'s assertion of competition in the small audit client market. However, when the dependent variable is redefined as total auditor work, I observe leaders (apart from the biggest firm) earning a premium for a service bundle. Large suppliers appear willing to adopt a strategy geared towards providing lower priced audits as a conduit to supplying higher margin non-audit services. Allaying global regulator concerns of auditor independence, I find the supply of NAS is shown to improve the auditors' ability to report breaches, suggesting no independence concerns arising from joint supply of audit and NAS in this setting.

5.2 Contributions and implications

This thesis provides several contributions to the literature. First, I document the first comprehensive descriptive analysis that allows a greater understanding of SMSFs by investment strategy. The analysis provides new insights into the fastest growing and largest segment of Australia's \$1.8 trillion retirement savings industry. I complement and extend prior superannuation studies of both small and large APRA funds to SMSFs. Second, I build on prior pension plan literature by tailoring a pension cost model by Bateman & Mitchell (2004) to create an operating cost matrix across the five different investment options. This may assist authorised representatives responding to meeting future cost disclosure requirements being imposed by ASIC. Third, I develop a calculator to compare the operating costs of an SMSF to other types of superannuation funds. Fourth, I apply and extend a well-established audit pricing model to consider audit pricing implications of industry specialization in the SMSF context. Last, I

provide new evidence to the auditing literature on brand effects of different professional accounting bodies.

5.3 Limitations

Due to privacy constraints with my dataset, I am unable to ascertain neither the age of the SMSF nor the age of its members. The sample of 73,000 SMSFs each year was selected by the ATO on a random basis. My data is not a balanced panel and is an acknowledged limitation of this study. SMSFs that are in pension phase were not provided by the ATO as they are not entitled to a deduction for expenses incurred in deriving exempt income and do not disclose accurate information for comparative purposes. Examining only funds in the accumulation phase suggests a caveat in terms of my studies overall generalizability.

In contrast to prior descriptive studies of small and large APRA funds, this thesis has not focussed on the investment performance of SMSFs. Calculations of investment performance have been restricted as the ATO data did not provide details of any unrealised gains or losses accumulated by SMSFs. Since shares are the dominant investment choice for trustees of SMSF's, this is an acknowledged limitation. This limitation, together with uncertainty if assets at year end are recorded at market value or historical cost, has restricted any meaningful investment performance analysis during a period which incorporates the GFC.

Whilst comparisons have been made throughout this thesis between SMSFs and large APRA funds, there are methodological differences due to the data items collected by the ATO for SMSFs not being identical to those collected by APRA for non-SMSFs. Expense data on the large APRA funds may be understated, particularly where external

investment managers are used, the funds receive net of fee returns and do not necessarily record fees in expenses. There may also be under-reporting of expenses by large APRA funds due to cross subsidisation.

5.4 Suggestions for future research

Whilst this comprehensive study has made several interesting findings about the self-managed superannuation fund sector, it would be interesting to conduct further research in the retirement savings industry. First, I recommend surveying SMSF members and advisors to gain further insight about the attitudes, motivations and experiences with establishing and running SMSFs and whether they ultimately fulfil their initial expectations. Such a survey should incorporate basic demographic information such as the age, gender and financial knowledge of SMSF members as well as the age of the funds themselves. Second, I suggest that any future research into the investment performance of SMSFs incorporates any unrealised movements in assets as this is a limitation of this study. Third, I propose that more in-depth analysis of the various components of SMSF running costs. Fourth, I recommend that the consolidation of assets both inside and outside of superannuation should be analysed to determine if individuals have adequate overall diversification congruent with their investment strategy.

Fifth, it would be interesting to extend the audit analysis to all types of superannuation funds including small and large APRA funds as well as SMSFs in pension phase. Likewise, it would be interesting to investigate 'other' non-public company assurance markets and those with different types of assurance providers. Sixth, as I have identified evidence relevant to a number of its recommendations, analysis of

other elements of the 174 recommendations contained within the Cooper Review may likewise be of value to both academics and industry, such as the accurate calculation of fees for large APRA funds. In addition, analysis of the impact of proposed regulatory changes (such as the taxation of allocated pensions above certain income thresholds) would be interesting. Seventh, whilst this study has had a domestic focus, it may have broader global implications, I recommend further research to be conducted on the comparison of the Australian retirement savings industry to those in other countries. Eighth, I suggest a broader consideration of alternate perspectives of specialisation (for example, efficiency-related specialisations rather than quality-differentiated specialisations). Last, given the economic significance and growth of the SMSF industry, I highlight the importance of the descriptive information presented in this thesis being updated in future so as the SMSF Cost Matrix can retain relevance.

REFERENCES

- Accounting Professional and Ethics Standards Board 2006, *APES 110 Code of Ethics for Professional Accountants*.
- Adams, W.J. & Yellen, J.L. 1976, 'Commodity Bundling and the Burden of Monopoly', *The Quarterly Journal of Economics*, vol. 90, no. 3, pp. 475-98.
- Antle, R. & Demski, J.S. 1991, 'Contracting Frictions, Regulation, and the Structure of CPA Firms', *Journal of Accounting Research*, vol. 29, pp. 1-24.
- Ashbaugh, H., LaFond, R. & Mayhew, B.W. 2003, 'Do Nonaudit Services Compromise Auditor Independence? Further Evidence', *The Accounting Review*, vol. 78, no. 3, pp. 611-39.
- Auditing and Assurance Standards Board 2011, *Guidance Statement GS 009 Auditing Self-Managed Superannuation Funds*.
- Australian Bureau of Statistics 1974, *Year Book Australia*, vol. 60.
- Australian Bureau of Statistics 2011, *5206.0 Australian National Accounts: National Income, Expenditure and Product*, June 2011 edn, Table 30.
- Australian Bureau of Statistics 2012a, *3101.0 - Australian Demographic Statistics, September 2012*.
- Australian Bureau of Statistics 2012b, *5206.0 Australian National Accounts: National Income, Expenditure and Product*, June 2012 edn, Table 30.
- Australian Bureau of Statistics 2013a, *5206.0 Australian National Accounts: National Income, Expenditure and Product*, June 2013 edn, Table 30.
- Australian Bureau of Statistics 2013b, *6302.0 Average Weekly Earnings, Australia, May 2013*, May 2013 edn.
- Australian Bureau of Statistics, 2014, *5206.0 Australian National Accounts: National Income, Expenditure and Product*, Table 3.
- Australian Prudential Regulation Authority 2007a, 'Celebrating 10 years of superannuation data collection 1996-2006', *APRA Insight*, no. 2.
- Australian Prudential Regulation Authority 2007b, 'A recent history of superannuation in Australia', *APRA Insight*, no. 2, pp. 3-10.
- Australian Prudential Regulation Authority 2009, *Annual Superannuation Bulletin*.
- Australian Prudential Regulation Authority 2010, *Annual Superannuation Bulletin*.
- Australian Prudential Regulation Authority 2011, *Annual Superannuation Bulletin*.
- Australian Prudential Regulation Authority 2012, *Annual Superannuation Bulletin*.
- Australian Prudential Regulation Authority 2013a, *Publication of superannuation statistics and confidentiality of superannuation data*.
- Australian Prudential Regulation Authority 2013b, *Quarterly Superannuation Performance - June 2013*.
- Australian Prudential Regulation Authority 2013c, *Quarterly Superannuation Performance - September 2013*.
- Australian Prudential Regulation Authority 2014a, *Monthly Banking Statistics - December 2013*.
- Australian Prudential Regulation Authority 2014b, *Quarterly Superannuation Performance - December 2013*.

- Australian Securities and Investments Commission 2013a, *Consultation Paper 216 Advice on self-managed superannuation funds: Specific disclosure requirements and SMSF costs*.
- Australian Securities and Investments Commission 2013b, *Report 337 SMSFs: Improving the quality of advice given to investors*.
- Australian Securities Exchange 2014, *Historical market statistics - December 2013*.
- Australian Taxation Office 2011, *Self-managed superannuation funds: A statistical overview 2008-09* Canberra.
- Australian Taxation Office 2012, *Self-managed superannuation funds: A statistical overview 2009-10*, Canberra.
- Australian Taxation Office 2013a, *Self-managed super fund statistical report - June 2013*.
- Australian Taxation Office 2013b, *Self-managed superannuation funds: A statistical overview 2010-11*,
- Australian Taxation Office 2013c, *Self-managed superannuation funds: A statistical overview 2011-12*, Canberra.
- Australian Taxation Office 2014, *Self-managed super fund statistical report - December 2013*.
- Baber, W.R., Brooks, E.H. & Ricks, W.E. 1987, 'An empirical investigation of the market for audit services in the public sector', *Journal of Accounting Research*, vol. 25, no. 2, pp. 293-305.
- Barber, B.M., Odean, T. & Zheng, L. 2003, 'Out of Sight, Out of Mind: The Effects of Expenses on Mutual Fund Flows'.
- Basioudis, I.G., Papakonstantinou, E. & Geiger, M.A. 2008, 'Audit Fees, Non-Audit Fees and Auditor Going-Concern Reporting Decisions in the United Kingdom', *Abacus*, vol. 44, no. 3, pp. 284-309.
- Bateman, H. 2002, 'Retirement income strategy in Australia', *Economic Analysis and Policy*, vol. 32, no. 1, pp. 49-70.
- Bateman, H. 2003, 'Regulation of Australian Superannuation', *Australian Economic Review*, vol. 36, no. 1, pp. 118-27.
- Bateman, H. & Kingston, G. 2010, 'Tax and super - unfinished business', *JASSA*, no. 4, pp. 49-54.
- Bateman, H. & Mitchell, O.S. 2004, 'New evidence on pension plan design and administrative expenses: the Australian experience', *Journal of Pension Economics and Finance*, vol. 3, no. 01, pp. 63-76.
- Bateman, H. & Thorp, S. 2007, 'Decentralized investment management: an analysis of non-profit pension funds', *Journal of Pension Economics & Finance*, vol. 6, no. 1, pp. 21-44.
- Bell, T.B. & Tabor, R.H. 1991, 'Empirical Analysis of Audit Uncertainty Qualifications', *Journal of Accounting Research*, vol. 29, no. 2, pp. 350-70.
- Benson, K., Hutchinson, M. & Sriram, A. 2011, 'Governance in the Australian Superannuation Industry', *Journal of Business Ethics*, vol. 99, no. 2, pp. 183-200.
- Blay, A.D. & Geiger, M.A. 2013, 'Auditor Fees and Auditor Independence: Evidence from Going Concern Reporting Decisions', *Contemporary Accounting Research*, vol. 30, no. 2, pp. 579-606.
- Brinson, G.P., Hood, L.R. & Beebower, G.L. 1986, 'Determinants of Portfolio Performance', *Financial Analysts Journal*, vol. 42, no. 4, pp. 39-44.

- Brinson, G.P., Singer, B.D. & Beebower, G.L. 1991, 'Determinants of Portfolio Performance II: An Update', *Financial Analysts Journal*, vol. 47, no. 3, pp. 40-8.
- Callaghan, J., Parkash, M. & Singhal, R. 2009, 'Going-Concern Audit Opinions and the Provision of Nonaudit Services: Implications for Auditor Independence of Bankrupt Firms', *Auditing: A Journal of Practice & Theory*, vol. 28, no. 1, pp. 153-69.
- Carey, P. & Simnett, R. 2006, 'Audit Partner Tenure and Audit Quality', *The Accounting Review*, vol. 81, no. 3, pp. 653-76.
- Carson, E., Fargher, N.L., Geiger, M.A., Lennox, C.S., Raghunandan, K. & Willekens, M. 2013, 'Audit Reporting for Going-Concern Uncertainty: A Research Synthesis', *Auditing: A Journal of Practice & Theory*, vol. 32, pp. 353-84.
- Casterella, J.R., Francis, J.R., Lewis, B.L. & Walker, P.L. 2004, 'Auditor Industry Specialization, Client Bargaining Power, and Audit Pricing', *Auditing: A Journal of Practice & Theory*, vol. 23, no. 1, pp. 123-40.
- Chan, D.K. 1999, "Low-Balling" and Efficiency in a Two-Period Specialization Model of Auditing Competition*, *Contemporary Accounting Research*, vol. 16, no. 4, pp. 609-42.
- Chaney, P.K., Jeter, D.C. & Shivakumar, L. 2004, 'Self-Selection of Auditors and Audit Pricing in Private Firms', *The Accounting Review*, vol. 79, no. 1, pp. 51-72.
- Chi, H.-Y. & Chin, C.-L. 2011, 'Firm versus Partner Measures of Auditor Industry Expertise and Effects on Auditor Quality', *Auditing: A Journal of Practice & Theory*, vol. 30, no. 2, pp. 201-29.
- Coleman, A.D.F., Esho, N. & Wong, M. 2003, 'The investment performance of Australian superannuation funds', Australian Prudential Regulatory Authority.
- Coleman, A.D.F., Esho, N. & Wong, M. 2006, 'The impact of agency costs on the investment performance of Australian pension funds', *Journal of Pension Economics & Finance*, vol. 5, no. 3, pp. 299-324.
- Commonwealth Government 2001, *Towards higher retirement incomes for Australians: a history of the Australian retirement income system since Federation*, Economic Roundup edn, Economic Roundup, pp. 65-92.
- CPA 2009, *Self-managed super funds insights*, CPA Australia Ltd, .
- CPA, ICAA & NIA 2008a, *Competency Requirements for Auditors of Self-Managed Superannuation Funds*, CPA Australia Ltd, The Institute of Chartered Accountants in Australia & National Institute of Accountants.
- CPA, ICAA & NIA 2008b, *Independence guide: interpretations in a co-regulatory environment*, CPA Australia Ltd, The Institute of Chartered Accountants in Australia & National Institute of Accountants.
- Craswell, A.T. 1999, 'Does the Provision of Non-Audit Services Impair Auditor Independence?', *International Journal of Auditing*, vol. 3, no. 1, pp. 29-40.
- Craswell, A., Stokes, D.J. & Laughton, J. 2002, 'Auditor independence and fee dependence', *Journal of Accounting and Economics*, vol. 33, no. 2, pp. 253-75.
- Craswell, A.T., Francis, J.R. & Taylor, S.L. 1995, 'Auditor brand name reputations and industry specializations', *Journal of Accounting and Economics*, vol. 20, no. 3, pp. 297-322.
- Cready, W.M. 1991, 'Premium bundling', *Economic Inquiry*, vol. 29, no. 1, pp. 173-9.
- Cullinan, C.P. 1997, 'Audit pricing in the pension plan audit market', *Accounting and Business Research*, vol. 27, no. 2, p. 91.

- Cullinan, C.P. 1998a, 'Evidence of Non-Big 6 Market Specialization and Pricing Power in a Niche Assurance Service Market', *Auditing: A Journal of Practice & Theory*, vol. 17 (Supplement), pp. 47-57.
- Cullinan, C.P. 1998b, 'Reply: Evidence of non-big 6 market specialization and pricing power in a niche assurance service market', *Auditing: A Journal of Practice & Theory*, vol. 17 (Supplement), pp. 69-72.
- Cummings, J.R. 2012, 'Effect of fund size on the performance of Australian superannuation funds', Australian Prudential Regulatory Authority
- Cummings, J.R. & Ellis, K. 2011, 'Risk and return of illiquid investments: A trade-off for superannuation funds offering transferable accounts', Australian Prudential Regulatory Authority.
- D'Ascenzo, M. 2011, 'Self-managed super: making sure it works for you and the community', paper presented to the *SMSF Professionals Association of Australia (SPAA) 2011 National Conference*, Brisbane, 23 February 2011.
- Danos, P. & Eichenseher, J.W. 1986, 'Long-Term Trends Toward Seller Concentration in the U.S. Audit Market', *The Accounting Review*, vol. 61, no. 4, p. 633.
- DeAngelo, L.E. 1981a, 'Auditor independence, 'low balling', and disclosure regulation', *Journal of Accounting and Economics*, vol. 3, no. 2, pp. 113-27.
- DeAngelo, L.E. 1981b, 'Auditor size and audit quality', *Journal of Accounting and Economics*, vol. 3, no. 3, pp. 183-99.
- DeFond, M.L., Francis, J.R. & Wong, T.J. 2000, 'Auditor Industry Specialization and Market Segmentation: Evidence from Hong Kong', *Auditing: A Journal of Practice & Theory*, vol. 19, no. 1, pp. 49-66.
- DeFond, M.L., Raghunandan, K. & Subramanyam, K.R. 2002, 'Do Non-Audit Service Fees Impair Auditor Independence? Evidence from Going Concern Audit Opinions', *Journal of Accounting Research*, vol. 40, no. 4, pp. 1247-74.
- DeFond, M.L. & Zhang, J. 2014, 'A review of archival auditing research', Working paper.
- Denniss, R. & Richardson, D. 2013, *Corporate power in Australia*, The Australia Institute, Policy Brief No. 45.
- Department of Treasury 2012, *Tax Expenditures Statement 2011*.
- Donohoe, M.P. & Knechel, W.R. 2013, 'Does corporate tax aggressiveness influence audit pricing?', *Contemporary Accounting Research*, pp. n/a-n/a.
- Dopuch, N., Holthausen, R.W. & Leftwich, R.W. 1987, 'Predicting Audit Qualifications with Financial and Market Variables', *The Accounting Review*, vol. 62, no. 3, p. 431.
- Drew, M.E. & Stanford, J.D. 2001, 'Asset selection and superannuation fund performance: A note for trustees', *Economic Papers: A journal of applied economics and policy*, vol. 20, no. 1, pp. 57-65.
- Drew, M. & Stanford, J.D. 2003a, 'Returns from investing in Australian equity superannuation funds, 1991-1999', *The Service Industries Journal*, vol. 23, no. 4, pp. 12-24.
- Drew, M.E. & Stanford, J.D. 2003b, 'Is there a positive relationship between superannuation fund costs and returns?', *Economic Papers: A journal of applied economics and policy*, vol. 22, no. 3, pp. 74-84.
- Drew, M.E. & Stanford, J.D. 2003c, 'Principal and Agent Problems in Superannuation Funds', *Australian Economic Review*, vol. 36, no. 1, pp. 98-107.

- Drew, M.E., Stanford, J.D. & Taranenko, P. 2001, 'Hot hands and superannuation fund performance: A second note for trustees', *Economic Papers: A journal of applied economics and policy*, vol. 20, no. 4, pp. 18-25.
- Dunmore, P.V. & Falk, H. 2001, 'Economic Competition between Professional Bodies: The Case of Auditing', *American Law and Economics Review*, vol. 3, no. 2, pp. 302-19.
- Dutillieux, W., Stokes, D. & Willekens, M. 2013, 'Strategic pricing by Big 4 audit firms in private client segments', *Accounting & Finance*, vol. 53, no. 4, pp. 961-94.
- Edey, M. & Simon, J. 1998, 'Australia's Retirement Income System', in M. Feldstein (ed.), *Privatizing Social Security*, University of Chicago Press, pp. 63-97.
- Eichenseher, J.W. & Danos, P. 1982, 'Audit Industry Dynamics: Factors Affecting Changes in Client-Industry Market Shares', *Journal of Accounting Research*, vol. 20, no. 2, pp. 604-16.
- Ellis, K., Tobin, A. & Tracey, B. 2008, 'Investment Performance, Asset Allocation and Expenses of Large Superannuation Funds', Australian Prudential Regulation Authority.
- Esho, N., Coleman, A.D.F., Thavabalan, N. & Bullock, M. 2004, 'Superannuation do-it-yourself?', *APRA Insight*, no. 1st Quarter 2004, pp. 10-18.
- Ettredge, M. & Greenberg, R. 1990, 'Determinants of fee cutting on initial audit engagements', *Journal of Accounting Research*, vol. 28, no. 1, pp. 198-210.
- Ettredge, M., Xu, Y. & Yi, H. 2014, 'Fair Value Measurements and Audit Fees: Evidence from the Banking Industry', *Auditing: A Journal of Practice & Theory* (forthcoming).
- European Commission 2002, Statutory Auditors' Independence in the EU: A Set of Fundamental Principles, Commission Recommendation 2002/590.
- Fama, E.F. 1970, 'Efficient capital markets: A review of theory and empirical work', *Journal of Finance*, vol. 25, no. 2, pp. 383-417.
- Fan, J.P.H. & Wong, T.J. 2005, 'Do External Auditors Perform a Corporate Governance Role in Emerging Markets? Evidence from East Asia', *Journal of Accounting Research*, vol. 43, no. 1, pp. 35-72.
- Ferguson, A., Pündrich, G. & Raftery, A.M. 2014, 'Auditor industry specialisation, service bundling and partner effects', *Auditing: A Journal of Practice & Theory* (forthcoming).
- Ferguson, A. & Stokes, D. 2002, 'Brand Name Audit Pricing, Industry Specialization, and Leadership Premiums post-Big 8 and Big 6 Mergers', *Contemporary Accounting Research*, vol. 19, no. 1, pp. 77-110.
- Ferguson, A., Francis, J.R. & Stokes, D.J. 2003, 'The Effects of Firm-Wide and Office-Level Industry Expertise on Audit Pricing', *The Accounting Review*, vol. 78, no. 2, p. 429.
- Fields, L.P., Fraser, D.R. & Wilkins, M.S. 2004, 'An investigation of the pricing of audit services for financial institutions', *Journal of Accounting and Public Policy*, vol. 23, no. 1, pp. 53-77.
- Financial System Inquiry, 1997, *The Financial System Inquiry Final Report*.
- Francis, J.R. 1984, 'The effect of audit firm size on audit prices: A study of the Australian Market', *Journal of Accounting and Economics*, vol. 6, no. 2, pp. 133-51.

- Francis, J.R. 2006, 'Are Auditors Compromised by Nonaudit Services? Assessing the Evidence', *Contemporary Accounting Research*, vol. 23, no. 3, pp. 747-60.
- Frankel, R.M., Johnson, M.F. & Nelson, K.K. 2002, 'The Relation between Auditors' Fees for Nonaudit Services and Earnings Management', *The Accounting Review*, vol. 77, no. s-1, pp. 71-105.
- Fung, S.Y.K., Gul, F.A. & Krishnan, J. 2012, 'City-Level Auditor Industry Specialization, Economies of Scale, and Audit Pricing', *The Accounting Review*, vol. 87, no. 4, pp. 1281-307.
- Gigler, F. & Penno, M. 1995, 'Imperfect Competition in Audit Markets and Its Effect on the Demand for Audit-Related Services', *The Accounting Review*, vol. 70, no. 2, pp. 317-36.
- Gittins, R. 2013, 'The four industries that rule Australia', *The Sydney Morning Herald*, February 6, 2013, p. 11.
- Gluyas, R. 2013, 'Hockey's 'Son of Wallis' inquiry should revamp financial system for 21st century', *The Australian*, September 9, 2013.
- Gramling, A.A. & Stone, D.N. 2001, 'Audit firm industry expertise: A review and synthesis of the archival literature', *Journal of Accounting Literature*, vol. 20, pp. 1-29.
- Guiltnan, J.P. 1987, 'The price bundling of services: a normative framework', *The Journal of Marketing*, pp. 74-85.
- Hackenbrack, K., Jensen, K.L. & Payne, J.L. 2000, 'The Effect of a Bidding Restriction on the Audit Services Market', *Journal of Accounting Research*, vol. 38, no. 2, pp. 355-74.
- Hay, D. & Knechel, W.R. 2010, 'The effects of advertising and solicitation on audit fees', *Journal of Accounting and Public Policy*, vol. 29, no. 1, pp. 60-81.
- Hay, D.C., Knechel, W.R. & Wong, N. 2006, 'Audit Fees: A Meta-analysis of the Effect of Supply and Demand Attributes', *Contemporary Accounting Research*, vol. 23, no. 1, pp. 141-91.
- Holbrook, J.P. 1977, 'Investment performance of pension funds', *Journal of the Institute of Actuaries* vol. 104, pp. 15-91.
- Hope, O.K. & Langli, J.C. 2010, 'Auditor Independence in a Private Firm and Low Litigation Risk Setting', *The Accounting Review*, vol. 85, no. 2, pp. 573-605.
- Ibbotson, R.G. & Kaplan, P.D. 2000, 'Does Asset Allocation Policy Explain 40, 90, or 100 Percent of Performance?', *Financial Analysts Journal*, vol. 56, no. 1, pp. 26-33.
- Invalid and Old Pensions Act 1908.*
- Ireland, J.C. & Lennox, C.S. 2002, 'The Large Audit Firm Fee Premium: A Case of Selectivity Bias?', *Journal of Accounting, Auditing & Finance*, vol. 17, no. 1, pp. 73-91.
- Jensen, K.L. & Payne, J.L. 2005, 'The Introduction of Price Competition in a Municipal Audit Market', *Auditing: A Journal of Practice & Theory*, vol. 24, no. 2, pp. 137-52.
- Jensen, M.C. & Meckling, W.H. 1976, 'Theory of the firm: Managerial behavior, agency costs and ownership structure', *Journal of Financial Economics*, vol. 3, no. 4, pp. 305-60.
- Johnston, E. 2013, 'PM announces head of financial system review', *The Sydney Morning Herald*, November 20, 2013.

- Keating, P. 1988, *Reform of the Taxation of Superannuation*, Australian Government Publishing Service, Canberra.
- Kingston, G. 2004, 'Superannuation: a guide to the field for Australian economists', *Economic analysis and policy*, vol. 33, no. 2, pp. 203-26.
- Kinney, W.R., Palmrose, Z.-V. & Scholz, S. 2004, 'Auditor Independence, Non-Audit Services, and Restatements: Was the U.S. Government Right?', *Journal of Accounting Research*, vol. 42, no. 3, pp. 561-88.
- Klumpes, P.J.M. & McCrae, M. 1999, 'Evaluating the Financial Performance of Pension Funds: An Individual Investor's Perspective', *Journal of Business Finance & Accounting*, vol. 26, no. 3-4, pp. 261-81.
- Knox, D. 2003, 'Is superannuation really taxed concessionally?', *JASSA*, no. 3, pp. 28-30.
- Krishnan, J. 1994, 'Auditor Switching and Conservatism', *The Accounting Review*, vol. 69, no. 1, pp. 200-15.
- Larcker, D.F. & Richardson, S.A. 2004, 'Fees Paid to Audit Firms, Accrual Choices, and Corporate Governance', *Journal of Accounting Research*, vol. 42, no. 3, pp. 625-58.
- Lawrence, A., Minutti-Meza, M. & Zhang, P. 2011, 'Can Big 4 versus Non-Big 4 Differences in Audit-Quality Proxies Be Attributed to Client Characteristics?', *The Accounting Review*, vol. 86, no. 1, pp. 259-86.
- Leavitt, H.J. 1954, 'A Note on Some Experimental Findings About the Meanings of Price', *The Journal of Business*, vol. 27, no. 3, pp. 205-10.
- Leibman, J.H. & Kelly, A.S. 1992, 'Accountants' liability to third parties for negligent misrepresentation: the search for a new limiting principle', *American Business Law Journal*, vol. 30, no. 3, pp. 347-439.
- Lennox, C.S., Francis, J.R. & Wang, Z. 2011, 'Selection Models in Accounting Research', *The Accounting Review*, vol. 87, no. 2, pp. 589-616.
- Li, C. 2009, 'Does Client Importance Affect Auditor Independence at the Office Level? Empirical Evidence from Going-Concern Opinions', *Contemporary Accounting Research*, vol. 26, no. 1, pp. 201-30.
- Lindsay, W.D. 1998, 'Discussion of evidence of non-big 6 market specialization and pricing power in a niche assurance service market', *Auditing: A Journal of Practice & Theory*, vol. 17 (Supplement), pp. 63-7.
- Mackenzie, G.D. 2011a, 'Tax and regulatory rules that can distort superannuation funds investment management practices', paper presented to the *19th Annual Colloquium of Superannuation Researchers*, Centre for Pensions and Superannuation, UNSW, Sydney, July 2011.
- Mackenzie, G.D. 2011b, 'Tax distortions and retail investors', *JASSA*, no. 3, pp. 38-42.
- Monroe, G.S. & Teh, S.T. 1993, 'Predicting uncertainty audit qualifications in Australia using publicly available information', *Accounting & Finance*, vol. 33, no. 2, pp. 79-106.
- Moroney, R. 2007, 'Does Industry Expertise Improve the Efficiency of Audit Judgment?', *Auditing: A Journal of Practice & Theory*, vol. 26, no. 2, p. 69.
- Moroney, R. & Carey, P. 2011, 'Industry- versus Task-Based Experience and Auditor Performance', *Auditing: A Journal of Practice & Theory*, vol. 30, no. 2, pp. 1-18.
- Moroney, R. & Simnett, R. 2009, 'Differences in Industry Specialist Knowledge and Business Risk Identification and Evaluation', *Behavioral Research in Accounting*, vol. 21, no. 2, pp. 73-89.

- Mutchler, J.F. 1985, 'A Multivariate Analysis of the Auditor's Going-Concern Opinion Decision', *Journal of Accounting Research*, vol. 23, no. 2, pp. 668-82.
- National Superannuation Committee of Inquiry 1976, *A National Superannuation Scheme for Australia: Final Report of the National Superannuation Committee of Inquiry*, Australian Government Publishing Service, Canberra.
- Palmrose, Z.-V. 1986a, 'Audit Fees and Auditor Size: Further Evidence', *Journal of Accounting Research*, vol. 24, no. 1, pp. 97-110.
- Palmrose, Z.-V. 1986b, 'The Effect of Nonaudit Services on the Pricing of Audit Services: Further Evidence', *Journal of Accounting Research*, vol. 24, no. 2, pp. 405-11.
- Parker, R.H. 2005, 'Naming and branding: accountants and accountancy bodies in the British Empire and Commonwealth, 1853-2003', *Accounting History*, vol. 10, no. 1, pp. 7-46.
- Parliamentary Joint Committee on Corporations and Financial Services 2012, *Inquiry into the collapse of Trio Capital*.
- Peel, M.J. & Roberts, R. 2003, 'Audit fee determinants and auditor premiums: evidence from the micro-firm sub-market', *Accounting and Business Research*, vol. 33, no. 3, pp. 207-33.
- Pflugrath, G., Roebuck, P. & Simnett, R. 2011, 'Impact of Assurance and Assurer's Professional Affiliation on Financial Analysts' Assessment of Credibility of Corporate Social Responsibility Information', *Auditing: A Journal of Practice & Theory*, vol. 30, no. 3, pp. 239-54.
- Phillips, P.J. 2007, 'Self Managed Superannuation Funds: Theory and Practice', *Journal of Law and Financial Management*, vol. 6, no. 1, pp. 8-22.
- Phillips, P.J. 2009, 'Are Larger Self Managed Superannuation Funds Riskier?', *Asian Journal of Finance & Accounting*, vol. 1, no. 1, pp. 54-75.
- Phillips, P.J. 2011a, 'Sin Stocks in Self Managed Superannuation Funds', *Australasian Accounting Business and Finance Journal*, vol. 5, no. 2, pp. 39-51.
- Phillips, P.J. 2011b, 'Will Self-Managed Superannuation Fund Investors Survive?', *Australian Economic Review*, vol. 44, no. 1, pp. 51-63.
- Phillips, P.J., Baczynski, M. & Teale, J. 2009a, 'Can self-managed superannuation fund trustees earn the equity risk premium?', *Accounting Research Journal*, vol. 22, no. 1, pp. 27-45.
- Phillips, P.J., Baczynski, M. & Teale, J. 2009b, 'Self managed superannuation funds and the bear market of 2007-2008', *Australasian Accounting Business and Finance Journal*, vol. 3, no. 1, pp. 38-56.
- Phillips, P.J., Cathcart, A. & Teale, J. 2007, 'The Diversification and Performance of Self-Managed Superannuation Funds', *Australian Economic Review*, vol. 40, no. 4, pp. 339-52.
- Raftery, A.M. 2013, *101 Ways To Save Money On Your Tax Legally! 2013-2014*, Wrightbooks, Sydney.
- Reynolds, J.K. & Francis, J.R. 2000, 'Does size matter? The influence of large clients on office-level auditor reporting decisions', *Journal of Accounting and Economics*, vol. 30, no. 3, pp. 375-400.
- Rice Warner Actuaries Pty Ltd 2013, *Costs of Operating SMSFs*.

- Roberts, M. 2001, 'Self Managed Superannuation Funds - Preliminary Statistics', paper presented to the *9th Annual Colloquium of Superannuation Researchers*, Centre for Pensions and Superannuation, UNSW, Sydney, July 2001.
- Roberts, M. 2002, 'Self-managed superannuation funds - overview', paper presented to the *10th Annual Colloquium of Superannuation Researchers*, Centre for Pensions and Superannuation, UNSW, Sydney, July 2002.
- Robinson, D. 2008, 'Auditor Independence and Auditor-Provided Tax Service: Evidence from Going-Concern Audit Opinions Prior to Bankruptcy Filings', *Auditing: A Journal of Practice & Theory*, vol. 27, no. 2, pp. 31-54.
- Robinson, I. 1992, 'Superannuation - a policy perspective', in K. Davis & I. Harper (eds), *Superannuation and the Australian Financial System*, Allen & Unwin, Sydney.
- Rubin, M.A. 1988, 'Municipal audit fee determinants', *The Accounting Review*, vol. 63, no. 2, pp. 219-36.
- Ruddock, C., Taylor, S.J. & Taylor, S.L. 2006, 'Nonaudit Services and Earnings Conservatism: Is Auditor Independence Impaired?', *Contemporary Accounting Research*, vol. 23, no. 3, pp. 701-46.
- Russell Investments & SPAA 2011, *Intimate with Self-Managed Superannuation*, Self-Managed Super Fund Professionals' Association of Australia.
- Sarbannes-Oxley Act 2002*, section 208(a).
- Saulwick, J. 2008, 'Australia to avoid recession: OECD', *The Sydney Morning Herald*, 26 November 2008, p. 1.
- Scitovszky, T. 1945, 'Some Consequences of the Habit of Judging Quality by Price', *The Review of Economic Studies*, vol. 12, no. 2, pp. 100-5.
- Securities and Exchange Commission 2000, Final Rule: Revision of the Commission's Auditor Independence Requirements, Release No. 33-7870.
- Securities and Exchange Commission 2003, Final Rule: Strengthening the Commission's Requirements Regarding Auditor Independence, 17 CFR Parts 210, 249 and & 274, RIN 3235-AI73.
- Simon, D.T. & Francis, J.R. 1988, 'The Effects of Auditor Change on Audit Fees: Tests of Price Cutting and Price Recovery', *The Accounting Review*, vol. 63, no. 2, pp. 255-69.
- Simunic, D.A. 1980, 'The Pricing of Audit Services: Theory and Evidence', *Journal of Accounting Research*, vol. 18, no. 1, pp. 161-90.
- Simunic, D.A. 1984, 'Auditing, Consulting, and Auditor Independence', *Journal of Accounting Research*, vol. 22, no. 2, pp. 679-702.
- Stigler, G.J. 1963, 'United States v. Loew's Inc.: A note on block-booking', *Sup. Ct. Rev.*, p. 152.
- Stremersch, S. & Tellis, G.J. 2002, 'Strategic bundling of products and prices: a new synthesis for marketing', *Journal of Marketing*, vol. 66, no. 1, pp. 55-72.
- Super System Review 2009, *A statistical summary of self-managed superannuation funds*.
- Super System Review 2010, *Review of the Governance, Efficiency, Structure and Operation of Australia's Superannuation*.
- Superannuation Industry (Supervision) Act 1993*.
- Superannuation Industry (Supervision) Regulations 1994*.

- Sy, W. 2010, 'Cost, performance and portfolio composition of small pension funds in Australia', *Journal of Pension Economics and Finance*, vol. 9, no. 03, pp. 345-68.
- Tan, B. 2002, 'Understanding consumer ethical decision making with respect to purchase of pirated software', *Journal of Consumer Marketing*, vol. 19, no. 2, pp. 96-111.
- Taylor, S.D. 2011, 'Does Audit Fee Homogeneity Exist? Premiums and Discounts Attributable to Individual Partners', *Auditing: A Journal of Practice & Theory*, vol. 30, no. 4, pp. 249-72.
- Thaler, R. 1985, 'Mental Accounting and Consumer Choice', *Marketing Science*, vol. 4, no. 3, pp. 199-214.
- Thoman, L. 1991, 'Discussion of Contracting Frictions, Regulation, and the Structure of CPA Firms', *Journal of Accounting Research*, vol. 29, pp. 25-30.
- Towers Watson 2014, *Global Pension Assets Study 2014*.
- Valentine, T. 2003, 'Is Superannuation Safe?', *Australian Economic Review*, vol. 36, no. 1, pp. 108-17.
- Valentine, T. 2004, 'Regulation of DIY Superannuation Funds', *Australian Economic Review*, vol. 37, no. 2, pp. 215-21.
- Valentine, T. 2011, 'SMSFS: Can we do better?', *JASSA*, no. 3, pp. 20-5.
- Ward, D.D., Elder, R.J. & Kattelus, S.C. 1994, 'Further Evidence on the Determinants of Municipal Audit Fees', *The Accounting Review*, vol. 69, no. 2, pp. 399-411.
- Whiteley, D. 2011, 'Super funds must flex their muscle to protect their members', *The Australian*, p. 33.
- Willekens, M. & Achmadi, C. 2003, 'Pricing and supplier concentration in the private client segment of the audit market: Market power or competition?', *The International Journal of Accounting*, vol. 38, no. 4, pp. 431-55.
- Worthington, A. 2008, 'Knowledge and Perceptions of Superannuation in Australia', *Journal of Consumer Policy*, vol. 31, no. 3, pp. 349-68.

APPENDICES

Appendix A: 2010 Form F SMSF tax return data fields

Front cover

2- Name of fund or trust

ABN; TFN

4- Current postal address

Preferred trustee or director contact details (name, phone number, email address)

Tax agent's contact details (name, practice name, phone number, tax agent number)

Auditor's details

6 – Fund auditor

Surname

First name

Other given names

Suffix

Professional body (1 – RCA; 2 – ASCPA; 3 – ICAA; 4 – IPA; 5 – ATMA; 6 – NTAA; 7 – AG)

Membership number

Organisation postal address

Phone number

Date audit was completed

Was the audit report qualified? (Y/N)

Details

8 - Status of fund

8A - Australian super fund (Y/N)

8B - Fund benefit structure (A- Accumulation; D – Defined Benefit)

8C - Trust deed allow Govt Super Co-Contributions? (Y/N)

9 – Was fund wound up during the year? (Y/N)

Have all tax lodgement and payment obligations been met?

Family trust election status

9A – income year of election

9B – are you revoking family trust election? (R/V)

Interposed entity election status

9C – income year of earliest election

9D – are you revoking interposed entity election? (R/V)

Income

10 - Income

10G –Did you have a CGT event during the year? (Y/N)

10Z –Did this CGT event relate to forestry managed investment scheme? (Y/N)

10A –Net capital gain

10B –Gross rent and other leasing and hire income

10C –Gross interest

10X – Forestry managed investment scheme income

10D1 – Gross foreign income

10D – Net foreign income

10E –Australian franking credits from a NZ company

- 10F – Transfer from foreign funds
- 10H – Gross payment where ABN not quoted
- 10I –Gross distribution from partnerships
- 10J –Dividends – unfranked amount
- 10K – Dividends – franked amount
- 10L –Dividends – franking credit
- 10M – Gross distribution from trusts
- 10R1 –Assessable employer contributions
- 10R2 –Assessable personal contributions
- 10R3 – No-TFN quoted contributions
- 10R6 – Transfer of liability to Life Insurance Company or PST
- 10R – Assessable contributions
- 10S –Other income
- 10T –Assessable income due to changed tax status of fund
- 10U1 –Private company dividends
- 10U2 – Trust distributions
- 10U3 – Other
- 10U – Net non-arm’s length income (subject to 45% tax rate)
- 10V – Total assessable income

11 - Deductions

- 11K – Exempt current pension income
- 11A – Interest expenses within Australia
- 11B – interest expenses overseas
- 11D – Capital works deductions
- 11E – Deduction for decline in value of depreciating assets
- 11P – Small business and general business break
- 11F – Death or disability premiums
- 11G – Death benefit increase
- 11H – Approved auditor fee
- 11I – Investment expenses
- 11J –Management and administration expenses
- 11U –Forestry managed investment scheme deduction
- 11L – Other deductions
- 11M – Tax losses deducted
- 11N – Total deductions
- 11O –Taxable income or loss

Calculation statement

12 Calculation statement

- 12A – Taxable income
- 12B – Gross tax
- 12C1 – Foreign income tax offset
- 12C2 –Rebates and tax offsets
- 12C – Total tax offsets
- 12D –Tax payable
- 12E –Section 102AAM interest charge
- 12F1 –Interest on early payments – amount of interest
- 12F2 –For tax withheld – foreign resident withholding
- 12F3 –ABN/TFN not quoted

- 12F4 –Refundable franking credits
- 12F5 –No-TFN tax offset
- 12F6 –Interest or no-TFN tax offset
- 12F7 –Refundable net rental affordability scheme tax offset
- 12F – Total credits
- 12G – PAYG instalments raised
- 12H – Supervisory levy
- 12I –Total amount of tax payable

Other info

- 13 Losses carried forward
 - 13U – tax losses carried forward to later income years
 - 13V – net capital losses carried forward to later income years

S-I Regulatory information

- S-IA – Did the SMSF have any in-house assets? (Y/N) \$
- S-IB – Did SMSF hold in-house assets at any time during the year > 5% of total assets (Y/N)
- S-IC – Did the SMSF hold investment in a related party at any time during the year? (Y/N) \$
- S-ID – Did the SMSF acquire any assets from related parties?
- S-IE – Did SMSF lend money or provide financial assistance to a member or relative? (Y/N)
- S-IF – Did the SMSF receive in-specie contributions?
- S-IG – Did the SMSF make and maintain all investments on arm’s-length basis? (Y/N)
- S-IH – Did the SMSF borrow for purposes not permissible?
- S-II – Did members have the personal use of the SMSFs assets before retirement? (Y/N)
- S-IJ – Did the SMSF provide money to members without a condition of release met? (Y/N)
- S-IK – Did trustees of the fund receive any remuneration?
- S-IL – Are any trustees or directors currently disqualified persons as defined by SISA? (Y/N)
- S-IM – Are all SMSF assets appropriately documented? (Y/N)
- S-IN – Did the SMSF carry on a business? (Y/N)
- S-IO – Does the auditor provide services to the SMSF as either tax agent, accountant or financial advisor or administrator?
- S-JG – Forestry managed investment schemes PR - Code
- S-JH – Forestry managed investment schemes PR - Year
- S-JI – Forestry managed investment schemes PR - Number

Financial info

- 14 Assets
 - 14a Australian managed investments
 - 14A - Listed trusts
 - 14B - Unlisted trusts
 - 14C - Life insurance policies
 - 14D - Other managed investments
 - 14b Australian direct investments

- 14E – Cash and term deposits
- 14F – Debt securities
- 14G - Loans
- 14H – Listed shares
- 14I – Unlisted shares
- 14J – Derivatives and instalment warrants
- 14K – Non-residential real property
- 14L – Residential real property
- 14M – Artwork, collectables, metal or jewels
- 14O – Other
- 14c Overseas direct investments
 - 14P – Overseas shares
 - 14Q – Overseas non-residential real property
 - 14R – Overseas real residential property
 - 14S – Overseas managed investments
 - 14T – Other overseas assets
 - 14U – Total Australian and overseas assets

15 Liabilities

- 15V - Borrowings
- 15W – Total member account balances
- 15X – Reserve accounts
- 15Y – Other liabilities
- 15Z – Total liabilities

16 Taxation of Financial Arrangements

- 16G – Did you make a gain, loss or balancing adjustment subject to the TOFA rules? (Y/N)
- 16H –Total TOFA gains
- 16I – Total TOFA losses
- 16J – TOFA Balancing adjustment

Members of fund

Members 1-4

- Member type (Current; Supplementary; Non-Current)
- Title (Mr; Miss; Mrs; Ms; Dr; etc)
- Family Name
- First name
- Suffix
- Member's TFN
- Date of birth
- Date of death
- Opening account balance
- Employer contributions
- ABN of principal employer
- Personal contributions
- CGT small business retirement exemption
- CGT small business 15 year exemption amount
- Personal injury election
- Spouse and child contributions

Other family and friend contributions
Directed termination (taxable component) payments
Assessable foreign superannuation fund amount
Non-assessable foreign superannuation fund amount
Transfer from reserve: assessable amount
Transfer from reserve: non-assessable amount
Other contributions (including Super Co-contribution)
Total contributions
Allocated earnings or losses
Inward rollover amounts
Outward rollover amounts
Benefit payments and code
Closing account balance

Appendix B: Sample SMSF independent auditor's report

Independent Audit Report to the Trustees of the XYZ Superannuation Fund

Part A: Financial report

I have audited the special purpose financial report comprising the statement of financial position as at 30 June 2010, the operating statement, notes to the financial statements and the trustees' declaration of the XYZ Superannuation Fund for the year ended 30 June 2010.

Trustee's responsibility for the financial report

The trustee is responsible for the preparation of the financial report and has determined that the accounting policies used are consistent with the financial reporting requirements of the *Superannuation Industry (Supervision) Act 1993* (SIS Act) and the Superannuation Industry (Supervision) Regulations 1994 (SIS Regulations) and are appropriate to meet the needs of the members. The trustees' responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

My responsibility is to express an opinion on the financial report based on the audit. I have conducted an independent audit of the financial report in order to express an opinion on them to the trustee. No opinion is expressed as to whether the accounting policies used are appropriate to the needs of the members. The financial report has been prepared for the distribution to the members for the purpose of fulfilling the trustee's financial reporting requirements under the superannuation fund's governing rules and regulatory requirements.

I disclaim any assumption of responsibility for any reliance on this report, or on the financial statements to which it relates, to any person other than members, or for any purpose other than that for which it was prepared.

My audit has been conducted in accordance with Australian Auditing Standards. These standards require that I comply with relevant ethical requirements relating to audit engagements, and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial

report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the trustee's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the trustee's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the trustees, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Auditor's opinion

In my opinion, the financial reports presents fairly in all material respects in accordance with the accounting policies described in the notes to the financial statements, the financial position of the fund at 30 June 2010 and the results of its operations for the year then ended

Part B: Compliance

Trustee's responsibility for compliance

The trustee is responsible for complying with the requirements of the SIS Act and SIS Regulations.

Auditor's responsibility

My responsibility is to express a conclusion on the trustee's compliance, based on the compliance engagement. My audit has been conducted in accordance with applicable Standards on Assurance Engagements, to provide reasonable assurance that the trustee of the fund has complied, in all material respects, with the relevant requirements of the following provisions (to the extent applicable) of the SIS Act and the SIS Regulations.

Sections: 17A, 35A, 35B, 35C(2), 52(2)(d), 52(2)(e), 62, 65, 66, 67, 69-71E, 73-75, 80-85, 103, 104A, 109, 126K

Regulations: 1.06(9A), 4.09, 5.03, 5.08, 6.17, 7.04, 13.12, 13.13, 13.14

My procedures included examination, on a test basis, of evidence supporting compliance with those requirements of the SIS Act and the SIS Regulations.

These tests have not been performed continuously throughout the period, were not designed to detect all instances of non-compliance, and have not covered any other provisions of the SIS Act and the SIS Regulations apart from those specified.

My procedures with respect to section 62 included testing that the fund trust deed establishes the fund solely for the provision of retirement benefits for fund members or

their dependants in the case of the member's death before retirement; a review of investments to ensure the fund is not providing financial assistance to members, unless allowed under the legislation; and testing that no preserved benefits have been paid before a condition of release has been met.

My procedures with respect to regulation 4.09 included testing that the fund trustee has an investment strategy, that the trustee has given consideration to risk, return, liquidity and diversification, and that the fund's investments are made in line with that investment strategy. No opinion is made on the investment strategy or its appropriateness to the fund members.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit conclusion.

Auditor's opinion

In my opinion, the trustee of the XYZ Superannuation Fund has complied, in all material respects, with the requirements of the SIS Act or the SIS Regulations specified above, for the year ended 30 June 2010.

Signature of approved SMSF auditor

Date

Appendix C: Explanation of selected sections of *SIS Act 1993* and *SIS Regulations 1994*

Section/Regulation	Explanation
S17A	The fund must meet the definition of an SMSF
S35A	The trustees must keep and maintain accounting records for a minimum of five years
S35B	The trustees must prepare and maintain proper accounting records
S35C(2)	The trustees must provide the auditor with the necessary documents to complete the audit in a timely and professional manner; and within 14 days of a written request from the auditor
S52(2)(d)	The assets of the SMSF must be held separately from any assets held by the trustee personally or by a standard employer sponsor or an associate of the standard employer sponsor
S52 (2)(e)	The trustee must not enter into a contract that would prevent/hinder them from exercising the powers of a trustee
S62	The fund must be maintained for the sole purpose of providing benefits to any or all of the following: <ul style="list-style-type: none"> • fund members upon their retirement • fund members upon reaching a prescribed age • the dependants of a fund member in the case of the member's death before retirement
S65	The trustees must not loan monies or provide financial assistance to any member or relative at any time during the financial year
S66	The trustees must not acquire any assets (not listed as an exemption) from any member or related party of the fund
S67	The trustees of the fund must not borrow any money or maintain an existing borrowing (not listed as an exemption)
S69-71E	Outline of the in-house asset rules that trustees must follow (these relate to transactions of any kind with a related party of the fund)

S73-75	Outline of the manner in which in-house assets must be valued by trustees (arms-length market value)
S80-85	The trustees must comply with the in-house asset rules
S103	The trustees must keep minutes of all meetings and retain the minutes for a minimum of 10 years
S104A	Trustees who became a trustee on or after 1 July 2007 must sign and retain a trustee declaration
S109	All investment transactions must be made and maintained at arms-length – that is, purchase, sale price and income from an asset reflects a true market value/rate of return
S126K	A disqualified person cannot be a trustee, investment manager or custodian of a superannuation fund
Sub Reg 1.06 (9A)	Pension payments must be made at least annually, and must be at least the amount calculated under clause 2 of Schedule 7
Reg 4.09	Trustees must formulate, regularly review and give effect to an investment strategy for the fund
Reg 5.03	Investment returns must be allocated to members in a manner that is fair and reasonable
Reg 5.08	Member benefits must be maintained in the fund until transferred, rolled over, allotted (to the member's spouse) or cashed in a permitted fashion
Reg 6.17	Payments of member benefits must be made in accordance with Part 6 or Part 7A of the regulations and be permitted by the trust deed
Reg 7.04	Contributions can only be accepted in accordance with the applicable rules for the year being audited
Reg 13.12	Trustees must not recognise an assignment of a super interest of a member or beneficiary

Reg 13.13	Trustees must not recognise a charge over or in relation to a member's benefits
Reg 13.14	Trustees must not give a charge over, or in relation to, a fund asset

Appendix D: Descriptive statistics of self-managed superannuation funds sample by state/territory, 2008-2010

Appendix D.1: Descriptive statistics of self-managed superannuation funds Australian Capital Territory (ACT) sample, 2008-2010

	<u>Panel A (2008 year n=1,020)</u>			<u>Panel B (2009 year n=1,010)</u>			<u>Panel C (2010 year n=996)</u>			<u>Panel D (All years n=3,026)</u>		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Listed trusts	35,224.98	-	122,914.00	29,297.75	-	109,482.00	21,899.56	-	91,718.75	28,860.60	-	109,013.80
Unlisted trusts	50,831.67	-	290,104.90	49,666.20	-	230,421.40	40,222.45	-	159,539.50	46,950.67	-	233,355.20
Insurance policy	332.49	-	5,469.81	338.57	-	5,545.24	207.48	-	4,629.47	293.37	-	5,233.38
Other managed investments	23,934.79	-	151,488.30	16,329.65	-	100,543.00	24,414.19	-	150,456.60	21,554.19	-	136,242.50
Cash and term deposits	147,146.50	47,673.50	297,615.60	145,766.40	50,779.50	271,828.80	149,506.60	47,710.50	347,447.10	147,462.70	48,908.00	306,910.40
Debt securities	8,573.65	-	62,640.60	6,618.29	-	60,975.44	10,700.32	-	77,609.62	8,620.99	-	67,423.32
Loans	3,244.08	-	24,264.52	3,813.08	-	38,256.48	5,083.28	-	78,420.14	4,039.36	-	52,056.66
Listed shares	176,258.90	40,845.00	368,232.60	152,991.60	35,060.50	349,875.40	163,413.70	42,483.50	342,784.30	164,264.90	39,802.50	353,904.00
Unlisted shares	7,432.16	-	43,655.42	7,764.25	-	41,827.22	12,628.99	-	85,160.23	9,253.53	-	60,138.25
Derivatives and instalment warrants	243.68	-	3,314.31	425.08	-	5,200.76	348.44	-	5,500.78	338.71	-	4,762.41
Non-residential real property	35,102.47	-	160,341.70	41,132.03	-	207,685.40	29,752.42	-	131,073.80	35,354.02	-	169,470.60
Residential real property	24,032.41	-	119,201.80	22,989.67	-	123,189.70	22,150.11	-	123,970.50	23,064.81	-	122,082.40
Artwork, collectables, metal or jewels	680.27	-	7,467.17	801.99	-	9,260.04	791.15	-	10,088.26	757.39	-	8,992.40
Other assets	33,081.97	1,636.50	125,687.30	42,457.83	2,696.50	157,595.90	46,239.18	2,106.00	226,635.00	40,542.05	2,106.00	174,731.80
Overseas shares	1,346.49	-	15,155.16	1,069.28	-	15,263.53	549.02	-	5,205.94	991.48	-	12,810.26
Overseas non-residential real property	68.16	-	2,177.01	-	-	-	-	-	-	22.98	-	1,263.94
Overseas residential real property	-	-	-	-	-	-	-	-	-	-	-	-
Overseas managed investments	1,743.96	-	43,409.25	17.86	-	567.68	583.57	-	12,039.01	785.89	-	26,135.54
Other overseas assets	2,499.32	-	34,013.54	2,027.77	-	30,380.38	827.45	-	11,261.97	1,791.64	-	27,199.10
Total assets	551,777.90	327,621.00	704,312.90	523,507.20	310,443.00	757,518.00	529,317.90	303,531.50	751,998.20	534,949.20	311,469.00	738,013.00
Borrowings	107.39	-	2,078.69	858.33	-	18,367.30	3,407.05	-	34,174.61	1,444.11	-	22,363.40
Total member account balances	530,915.80	312,628.50	680,910.70	513,265.80	299,909.00	750,965.50	516,831.30	294,998.00	745,223.30	520,388.80	300,017.00	725,960.40
Reserve accounts	1,086.23	-	10,512.87	310.88	-	3,089.00	980.85	-	10,377.70	792.75	-	8,715.22
Other liabilities	9,675.28	3,806.00	20,287.22	9,131.62	2,533.50	30,461.06	8,098.75	1,620.00	48,359.81	8,974.91	2,578.50	34,897.18
Total liabilities	541,784.70	324,523.50	689,384.40	523,566.60	310,443.00	757,497.60	529,317.90	303,531.50	751,998.20	531,600.60	310,494.00	733,179.90
Member Count	1.90	2.00	.71	1.93	2.00	.73	1.90	2.00	.68	1.91	2.00	.71
Total assessable income	81,964.73	49,393.50	103,252.70	69,442.88	38,104.00	89,892.21	49,383.46	31,243.00	61,017.31	67,061.22	37,727.50	87,697.93
Total deductions	5,829.28	2,998.50	7,832.51	6,128.98	3,251.00	8,236.52	5,946.65	3,315.50	7,700.81	5,967.95	3,211.50	7,925.62
Taxable income	76,093.28	43,201.00	100,667.10	63,313.87	30,555.00	87,563.05	43,436.85	25,922.00	58,666.24	61,079.07	31,763.50	85,342.68

Appendix D.2: Descriptive statistics of self-managed superannuation funds New South Wales (NSW) sample, 2008-2010

	Panel A (2008 year n=21,504)			Panel B (2009 year n=22,210)			Panel C (2010 year n=22,276)			Panel D (All years n=65,990)		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Listed trusts	38,162.36	-	158,666.60	25,964.18	-	115,857.40	23,643.65	-	117,972.50	29,155.84	-	132,133.00
Unlisted trusts	66,802.07	-	331,764.70	60,620.56	-	317,804.20	60,745.65	-	401,766.70	62,677.14	-	352,638.30
Insurance policy	638.48	-	23,429.47	531.55	-	21,552.38	431.42	-	17,324.19	532.60	-	20,893.18
Other managed investments	35,186.32	-	402,661.10	26,158.60	-	208,001.80	26,965.95	-	237,105.60	29,372.98	-	293,917.90
Cash and term deposits	163,105.20	49,909.00	363,720.60	167,794.20	54,112.00	349,289.50	159,972.20	51,906.50	342,777.80	163,625.70	51,770.00	351,911.40
Debt securities	2,891.98	-	60,630.86	1,648.20	-	37,665.59	1,553.07	-	30,214.71	2,021.39	-	44,540.86
Loans	3,733.70	-	45,266.95	3,407.81	-	36,804.67	3,527.80	-	48,580.67	3,554.51	-	43,821.06
Listed shares	165,668.90	17,755.50	472,642.80	136,297.10	14,856.00	339,869.80	149,734.10	16,245.00	369,705.40	150,404.30	16,400.50	397,430.10
Unlisted shares	7,798.55	-	74,718.77	7,718.67	-	82,012.07	7,411.25	-	78,380.79	7,640.92	-	78,464.75
Derivatives and instalment warrants	1,045.76	-	22,750.31	827.48	-	15,605.12	1,197.95	-	19,395.12	1,023.67	-	19,432.35
Non-residential real property	47,360.47	-	193,864.30	48,991.76	-	204,456.30	52,947.09	-	217,297.80	49,795.36	-	205,572.40
Residential real property	26,236.29	-	133,533.20	26,245.96	-	130,922.70	28,241.47	-	140,757.20	26,916.43	-	135,159.10
Artwork, collectables, metal or jewels	1,312.49	-	16,989.50	1,279.79	-	18,579.59	1,725.92	-	29,115.67	1,441.04	-	22,280.74
Other assets	21,673.25	895.00	270,114.10	20,882.52	1,561.00	261,507.00	18,816.83	1,645.00	227,908.30	20,442.89	1,350.00	253,625.00
Overseas shares	2,316.68	-	59,401.77	1,645.25	-	38,105.87	2,453.03	-	62,104.73	2,136.73	-	54,227.20
Overseas non-residential real property	386.44	-	41,036.94	160.54	-	7,338.35	95.91	-	4,280.03	212.34	-	23,939.02
Overseas residential real property	408.38	-	14,580.09	356.19	-	11,221.36	439.08	-	14,306.79	401.18	-	13,444.07
Overseas managed investments	1,058.80	-	32,659.74	1,186.10	-	52,797.52	918.23	-	28,345.80	1,054.19	-	39,458.69
Other overseas assets	3,032.13	-	68,076.29	1,750.48	-	28,193.91	1,942.60	-	33,461.77	2,232.98	-	46,432.18
Total assets	588,818.30	312,485.00	994,096.60	533,466.90	278,487.00	834,979.70	542,763.10	296,436.50	872,031.70	554,642.20	295,488.50	902,183.80
Borrowings	1,176.13	-	25,494.14	2,867.54	-	46,947.80	6,948.91	-	59,845.21	3,694.10	-	46,566.15
Total member account balances	567,631.10	298,887.50	936,161.10	520,798.50	269,342.50	822,309.40	528,232.10	281,686.50	860,826.80	538,569.10	283,033.50	873,906.10
Reserve accounts	734.40	-	26,193.56	494.75	-	17,183.97	469.52	-	13,688.10	564.33	-	19,652.30
Other liabilities	10,867.77	2,506.50	43,507.94	8,386.24	1,689.50	45,188.23	7,112.69	1,253.00	34,825.01	8,764.98	1,749.00	41,422.95
Total liabilities	580,409.40	307,210.50	951,539.30	532,547.00	278,208.50	833,953.20	542,763.20	296,436.50	872,031.70	551,592.50	293,770.00	886,689.00
Member Count	1.90	2.00	.71	1.92	2.00	.70	1.92	2.00	.69	1.92	2.00	.70
Total assessable income	71,108.85	35,088.50	104,928.70	61,652.82	29,001.50	84,834.74	46,107.61	25,505.50	66,993.00	59,486.69	29,273.00	87,354.83
Total deductions	5,095.68	2,490.50	7,151.55	5,234.62	2,655.00	7,215.02	5,709.00	2,899.00	7,768.13	5,349.48	2,680.50	7,390.83
Taxable income	65,952.86	29,960.00	102,753.60	56,416.20	23,800.00	82,864.87	40,398.61	20,010.00	65,172.87	54,116.89	24,216.00	85,417.91

Appendix D.3: Descriptive statistics of self-managed superannuation funds Northern Territory (NT) sample, 2008-2010

	Panel A (2008 year n=159)			Panel B (2009 year n=154)			Panel C (2010 year n=151)			Panel D (All years n=464)		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Listed trusts	22,993.91	-	87,707.00	11,286.23	-	47,026.86	9,217.17	-	27,999.35	14,624.79	-	60,391.89
Unlisted trusts	59,907.64	-	316,304.90	53,159.62	-	236,414.00	38,350.26	-	200,861.70	50,652.55	-	256,443.40
Insurance policy	-	-	-	-	-	-	-	-	-	-	-	-
Other managed investments	13,068.33	-	68,989.51	15,351.90	-	77,893.15	15,358.15	-	69,637.98	14,571.42	-	72,121.16
Cash and term deposits	186,470.80	60,167.00	437,376.30	186,408.30	80,376.00	327,413.30	176,631.80	73,640.00	313,305.50	183,248.10	72,216.00	364,043.90
Debt securities	-	-	-	-	-	-	947.91	-	11,648.08	308.48	-	6,644.83
Loans	1,742.12	-	11,418.61	1,716.03	-	21,258.61	448.02	-	3,130.51	1,312.32	-	14,048.91
Listed shares	105,105.90	-	223,663.00	90,560.53	2,098.00	190,698.30	108,409.90	7,246.00	187,223.00	101,353.50	1,415.00	201,256.90
Unlisted shares	7,170.87	-	38,251.11	6,387.44	-	40,404.82	10,731.54	-	82,400.42	8,069.60	-	56,938.94
Derivatives and instalment warrants	-	-	-	-	-	-	214.07	-	2,630.49	69.66	-	1,500.60
Non-residential real property	80,700.97	-	225,246.30	63,837.84	-	199,537.50	108,483.40	-	282,471.00	84,145.43	-	238,023.40
Residential real property	39,211.01	-	129,738.00	36,639.16	-	174,736.50	13,882.81	-	62,250.97	30,114.84	-	131,215.90
Artwork, collectables, metal or jewels	1,155.93	-	8,878.53	882.43	-	5,643.53	1,227.03	-	11,262.75	1,088.30	-	8,862.45
Other assets	16,438.03	1,355.00	45,548.16	10,962.25	1,146.00	29,102.13	12,681.59	2,129.00	32,136.26	13,398.18	1,494.50	36,438.20
Overseas shares	1,446.56	-	16,401.25	251.75	-	3,124.18	6.02	-	73.97	581.21	-	9,768.61
Overseas non-residential real property	-	-	-	-	-	-	-	-	-	-	-	-
Overseas residential real property	205.91	-	2,596.37	3,786.62	-	46,990.68	3,977.02	-	48,870.44	2,621.57	-	38,843.16
Overseas managed investments	-	-	-	-	-	-	-	-	-	-	-	-
Other overseas assets	103.46	-	1,304.57	964.35	-	5,804.79	1,177.40	-	6,915.45	738.68	-	5,237.12
Total assets	535,721.40	286,506.00	702,459.00	482,194.40	277,675.50	586,608.70	501,744.10	316,605.00	580,507.90	506,898.70	294,646.00	625,920.00
Borrowings	495.91	-	6,098.94	832.37	-	9,759.65	3,232.50	-	36,831.64	1,498.15	-	22,025.81
Total member account balances	525,018.40	279,998.00	696,844.40	471,068.00	271,228.50	578,789.30	489,071.90	309,365.00	567,104.40	495,414.30	292,150.50	617,344.50
Reserve accounts	-	-	-	990.93	-	12,256.61	28.81	-	354.00	338.26	-	7,063.64
Other liabilities	8,971.84	2,886.00	15,831.74	9,303.09	2,861.50	15,982.43	9,410.90	2,947.00	22,246.05	9,224.66	2,907.00	18,174.41
Total liabilities	534,486.10	286,506.00	703,282.50	482,194.40	277,675.50	586,608.70	501,744.10	316,605.00	580,507.90	506,475.40	294,646.00	626,216.20
Member Count	1.87	2.00	.61	1.95	2.00	.65	1.98	2.00	.69	1.93	2.00	.65
Total assessable income	76,106.68	39,743.00	84,770.24	69,689.29	38,007.00	77,595.16	52,156.67	30,324.00	62,255.01	66,182.69	36,048.00	76,155.08
Total deductions	6,215.09	3,468.00	7,833.26	5,355.04	3,116.00	6,895.95	5,982.90	3,529.00	7,514.78	5,854.08	3,446.00	7,421.74
Taxable income	69,891.58	33,331.00	82,300.19	64,334.25	31,074.50	75,787.97	46,173.77	25,207.00	59,783.76	60,328.61	29,787.50	73,955.93

Appendix D.4: Descriptive statistics of self-managed superannuation funds Queensland (QLD) sample, 2008-2010

	Panel A (2008 year n=11,490)			Panel B (2009 year n=11,565)			Panel C (2010 year n=11,431)			Panel D (All years n=34,486)		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Listed trusts	38,857.23	-	162,090.40	26,358.74	-	112,909.00	27,019.45	-	114,874.00	30,741.97	-	132,041.50
Unlisted trusts	74,962.95	-	355,433.40	62,754.12	-	311,442.50	62,501.99	-	340,425.20	66,738.27	-	336,244.50
Insurance policy	748.73	-	21,054.02	578.08	-	13,783.30	323.90	-	7,127.12	550.68	-	15,108.05
Other managed investments	28,603.72	-	153,019.50	23,446.05	-	133,357.10	23,799.65	-	133,720.10	25,281.68	-	140,345.00
Cash and term deposits	154,836.50	46,824.50	416,294.30	150,859.70	50,048.00	290,522.40	147,393.80	50,603.00	291,549.30	151,035.90	49,323.50	337,968.60
Debt securities	1,139.44	-	18,455.06	1,128.20	-	31,258.43	1,062.38	-	21,909.13	1,110.13	-	24,499.42
Loans	4,405.22	-	64,230.98	3,624.07	-	38,928.27	3,034.42	-	31,631.44	3,688.88	-	47,059.56
Listed shares	152,060.50	16,441.50	420,229.90	120,995.30	14,062.00	291,652.60	134,177.60	16,092.00	308,317.90	135,715.10	15,594.00	345,003.70
Unlisted shares	9,771.25	-	82,425.33	7,605.96	-	74,338.11	8,276.07	-	76,174.67	8,549.51	-	77,721.61
Derivatives and instalment warrants	1,254.46	-	34,870.56	1,210.88	-	24,226.85	1,478.32	-	23,249.52	1,314.05	-	27,948.22
Non-residential real property	69,265.73	-	421,710.60	63,076.13	-	227,005.60	66,225.80	-	231,615.40	66,182.39	-	307,109.90
Residential real property	28,977.46	-	149,238.20	27,623.70	-	139,948.60	27,637.01	-	133,571.00	28,079.16	-	141,073.40
Artwork, collectables, metal or jewels	1,060.35	-	16,587.95	1,111.98	-	18,015.79	1,559.98	-	26,302.85	1,243.28	-	20,733.32
Other assets	23,552.23	1,210.50	121,575.00	21,093.39	1,859.00	106,414.60	21,058.13	1,988.00	105,738.40	21,900.94	1,661.00	111,484.30
Overseas shares	1,576.79	-	31,182.19	866.82	-	16,809.52	1,262.58	-	20,991.59	1,234.55	-	23,766.13
Overseas non-residential real property	188.45	-	10,299.46	50.02	-	3,217.30	79.40	-	4,530.31	105.88	-	6,754.14
Overseas residential real property	135.72	-	6,253.09	289.30	-	11,957.89	288.05	-	12,188.20	237.71	-	10,498.54
Overseas managed investments	473.86	-	11,598.99	590.05	-	23,241.78	174.91	-	4,845.04	413.73	-	15,289.67
Other overseas assets	2,764.81	-	54,784.54	1,886.80	-	28,278.61	2,118.78	-	33,697.01	2,256.23	-	40,553.43
Total assets	594,635.40	324,610.50	971,517.70	515,149.30	294,664.00	703,480.80	529,472.20	307,888.00	713,673.20	546,380.00	308,398.00	806,484.60
Borrowings	1,275.51	-	33,547.48	2,460.40	-	29,730.34	5,023.00	-	43,174.71	2,915.04	-	35,939.17
Total member account balances	575,050.30	314,087.00	894,991.40	504,062.10	286,898.00	703,075.00	516,254.00	296,440.00	701,883.00	531,755.10	298,685.00	772,573.90
Reserve accounts	1,008.45	-	35,432.87	859.27	-	28,466.44	860.49	-	28,777.14	909.38	-	31,056.35
Other liabilities	11,219.88	2,852.50	33,494.22	8,935.75	1,753.00	34,422.15	7,334.78	1,139.00	39,795.58	9,166.10	1,814.00	36,035.22
Total liabilities	588,554.20	321,777.50	912,950.00	516,317.50	294,611.00	716,415.90	529,472.20	307,888.00	713,673.20	544,745.60	307,770.00	787,144.20
Member Count	1.91	2.00	.65	1.92	2.00	.63	1.92	2.00	.63	1.92	2.00	.64
Total assessable income	78,428.89	40,500.50	105,683.80	63,909.20	30,275.00	86,653.01	46,178.68	25,440.00	59,572.46	62,869.76	31,185.00	87,112.88
Total deductions	5,703.57	2,919.50	7,651.91	5,828.76	3,109.00	7,669.00	6,292.94	3,430.00	9,107.74	5,940.91	3,146.00	8,172.35
Taxable income	72,694.49	34,877.00	103,111.70	58,078.37	24,914.00	84,332.95	39,885.74	19,716.00	57,314.90	56,917.88	25,555.50	84,825.82

Appendix D.5: Descriptive statistics of self-managed superannuation funds South Australia (SA) sample, 2008-2010

	Panel A (2008 year n=4,878)			Panel B (2009 year n=5,081)			Panel C (2010 year n=5,193)			Panel D (All years n=15,152)		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Listed trusts	45,132.89	-	151,616.20	33,893.39	-	122,074.80	22,397.53	-	85,129.91	33,571.87	-	122,333.30
Unlisted trusts	43,652.69	-	215,944.50	38,060.68	-	177,510.10	52,161.90	-	285,755.30	44,693.82	-	231,499.30
Insurance policy	508.47	-	12,758.42	183.02	-	5,494.83	385.20	-	13,869.27	357.09	-	11,333.83
Other managed investments	21,856.71	-	121,125.00	19,421.38	-	112,967.10	19,646.79	-	115,768.90	20,282.66	-	116,599.30
Cash and term deposits	140,997.10	49,141.00	275,432.90	147,114.60	50,390.00	305,377.90	138,007.00	50,293.00	301,529.60	142,023.70	49,997.50	294,718.60
Debt securities	3,682.83	-	38,029.17	7,031.58	-	71,643.29	8,629.32	-	74,704.72	6,501.08	-	64,055.83
Loans	5,003.69	-	67,600.05	3,256.27	-	43,607.54	3,589.42	-	55,230.85	3,933.01	-	56,164.70
Listed shares	210,092.30	60,235.50	455,059.00	172,887.50	53,569.00	344,954.10	184,411.70	53,130.00	345,995.10	188,814.80	55,704.00	384,468.00
Unlisted shares	7,993.61	-	69,265.76	6,091.74	-	50,232.57	7,094.72	-	63,364.48	7,047.77	-	61,375.03
Derivatives and instalment warrants	1,113.87	-	20,036.07	1,937.65	-	19,864.21	1,981.87	-	22,869.27	1,687.60	-	20,997.74
Non-residential real property	63,797.57	-	228,535.40	62,439.65	-	230,787.90	62,405.57	-	224,361.90	62,865.14	-	227,862.10
Residential real property	19,836.66	-	112,445.90	16,631.50	-	91,750.62	21,171.53	-	121,969.90	19,219.35	-	109,518.20
Artwork, collectables, metal or jewels	688.08	-	9,754.95	557.69	-	7,056.24	729.70	-	11,686.65	658.62	-	9,702.26
Other assets	25,238.05	1,605.00	152,207.60	23,375.59	3,072.00	90,766.13	23,930.49	2,624.00	113,984.00	24,165.37	2,383.00	121,130.10
Overseas shares	1,074.80	-	18,938.08	1,133.33	-	16,209.35	1,496.50	-	14,286.61	1,238.95	-	16,538.50
Overseas non-residential real property	68.49	-	3,808.70	-	-	-	15.13	-	914.96	27.24	-	2,226.47
Overseas residential real property	643.42	-	38,952.42	557.16	-	38,055.99	925.45	-	43,400.29	711.15	-	40,242.92
Overseas managed investments	278.42	-	6,016.43	364.53	-	9,997.27	415.23	-	8,933.71	354.19	-	8,515.62
Other overseas assets	2,332.55	-	27,789.10	2,550.62	-	33,253.51	2,581.94	-	43,168.65	2,491.15	-	35,467.66
Total assets	593,992.20	354,560.00	780,751.80	537,487.90	322,798.00	680,323.40	551,977.00	334,433.00	720,116.60	560,644.60	337,065.50	727,785.70
Borrowings	731.55	-	20,263.89	2,890.75	-	31,858.97	4,774.27	-	43,102.39	2,841.15	-	33,344.47
Total member account balances	580,038.10	344,872.50	767,545.70	526,500.70	309,686.00	674,024.90	538,221.90	323,595.00	685,136.50	547,753.60	326,152.50	709,464.40
Reserve accounts	443.19	-	12,443.25	675.01	-	27,492.50	1,749.07	-	99,065.00	968.49	-	60,552.84
Other liabilities	10,422.83	3,010.00	30,197.36	7,318.48	1,718.00	22,473.63	7,231.77	1,062.00	44,264.71	8,288.17	1,793.00	33,711.70
Total liabilities	591,635.70	352,420.00	780,222.20	537,385.00	322,703.00	680,379.00	551,977.00	334,433.00	720,116.60	559,851.40	336,537.00	727,587.40
Member Count	1.88	2.00	.68	1.92	2.00	.68	1.92	2.00	.63	1.91	2.00	.66
Total assessable income	78,561.17	45,365.00	94,030.12	68,539.33	37,010.00	84,796.48	49,151.99	29,987.00	61,004.50	65,121.17	36,358.00	81,742.02
Total deductions	5,054.09	2,518.00	6,802.69	5,731.70	3,100.00	11,630.86	5,812.24	3,075.00	7,835.22	5,541.16	2,905.00	9,022.45
Taxable income	73,461.23	40,753.50	92,017.63	62,807.63	30,877.00	83,134.76	43,340.31	24,840.00	58,710.26	59,565.45	30,835.00	79,874.86

Appendix D.6: Descriptive statistics of self-managed superannuation funds Tasmania (TAS) sample, 2008-2010

	Panel A (2008 year n=991)			Panel B (2009 year n=953)			Panel C (2010 year n=1,011)			Panel D (All years n=2,955)		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Listed trusts	25,139.02	-	89,639.08	16,263.73	-	55,694.51	18,753.74	-	66,360.96	20,092.09	-	72,195.09
Unlisted trusts	59,428.23	-	242,115.20	82,228.56	-	341,814.00	75,712.17	-	276,071.10	72,352.69	-	288,876.10
Insurance policy	237.63	-	5,287.02	321.07	-	5,421.45	-	-	-	183.24	-	4,342.69
Other managed investments	29,756.59	-	126,425.40	16,463.73	-	71,076.80	18,507.41	-	86,105.07	21,620.88	-	97,743.54
Cash and term deposits	141,996.10	51,072.00	255,195.30	145,703.70	57,443.00	278,335.50	142,841.20	54,645.00	234,959.80	143,481.00	53,387.00	256,262.80
Debt securities	535.76	-	11,349.53	1,418.05	-	18,252.51	699.36	-	10,184.08	876.27	-	13,643.41
Loans	4,438.75	-	49,116.44	8,766.14	-	145,602.70	3,397.35	-	54,670.41	5,478.05	-	93,102.22
Listed shares	139,820.00	16,654.00	330,591.80	106,448.40	12,886.00	214,365.80	126,175.70	9,510.00	285,604.10	124,389.30	12,369.00	281,977.50
Unlisted shares	9,863.99	-	138,566.20	5,019.84	-	35,723.20	9,097.28	-	166,494.40	8,039.41	-	127,782.80
Derivatives and instalment warrants	300.99	-	6,519.44	192.69	-	5,125.90	695.55	-	12,373.07	401.06	-	8,666.21
Non-residential real property	57,520.16	-	181,683.00	64,323.40	-	189,301.20	63,390.52	-	195,329.90	61,722.67	-	188,852.90
Residential real property	25,482.87	-	109,120.80	12,611.94	-	62,364.73	20,047.06	-	94,181.23	19,472.17	-	91,127.63
Artwork, collectables, metal or jewels	1,045.77	-	17,914.05	955.62	-	12,457.06	1,187.85	-	11,580.64	1,065.31	-	14,262.66
Other assets	23,746.63	1,163.00	109,672.60	22,089.53	2,100.00	78,337.98	24,873.88	1,898.00	109,736.30	23,597.88	1,723.00	100,635.10
Overseas shares	958.89	-	12,840.22	2,831.33	-	50,376.39	1,528.48	-	34,242.46	1,757.63	-	35,701.91
Overseas non-residential real property	147.14	-	4,632.13	-	-	-	-	-	-	49.35	-	2,682.49
Overseas residential real property	225.79	-	5,109.84	95.55	-	2,949.72	-	-	-	106.54	-	3,400.50
Overseas managed investments	221.44	-	2,702.46	266.57	-	4,612.58	331.61	-	5,654.52	273.69	-	4,498.72
Other overseas assets	632.65	-	7,997.56	4,741.09	-	92,341.03	6,395.51	-	113,408.20	3,929.30	-	84,692.43
Total assets	521,498.40	337,130.00	649,156.40	490,740.90	307,477.00	638,041.40	513,634.60	310,590.00	682,315.60	508,888.50	316,904.00	657,092.60
Borrowings	93.35	-	1,636.61	874.15	-	13,009.62	2,885.27	-	23,968.36	1,300.37	-	15,914.48
Total member account balances	507,684.50	319,841.00	640,574.00	482,130.00	300,836.00	631,456.60	500,032.20	298,042.00	660,400.70	496,825.00	306,738.00	644,400.10
Reserve accounts	421.97	-	8,058.60	352.99	-	10,719.68	90.66	-	2,830.95	286.37	-	7,845.91
Other liabilities	8,953.30	2,566.00	26,469.43	7,376.06	1,958.00	18,770.21	10,626.47	1,635.00	120,118.00	9,017.08	2,100.00	72,686.23
Total liabilities	517,153.20	328,381.00	650,204.60	490,733.20	307,477.00	638,045.90	513,634.60	310,590.00	682,315.60	507,428.80	316,091.00	657,416.50
Member Count	1.91	2.00	.70	1.87	2.00	.61	1.89	2.00	.63	1.89	2.00	.65
Total assessable income	71,473.27	38,383.00	91,052.16	63,797.38	30,608.00	85,660.81	45,857.37	27,530.00	51,405.78	60,233.75	31,963.00	78,510.98
Total deductions	4,726.81	2,385.00	6,395.30	4,721.05	2,689.00	6,157.78	5,002.74	2,668.00	6,306.80	4,819.36	2,568.00	6,288.44
Taxable income	66,624.42	33,646.00	88,918.45	59,076.33	26,664.00	83,698.39	40,854.63	23,403.00	49,368.24	55,373.46	27,719.00	76,549.24

Appendix D.7: Descriptive statistics of self-managed superannuation funds Victoria (VIC) sample, 2008-2010

	Panel A (2008 year n=20,504)			Panel B (2009 year n=21,075)			Panel C (2010 year n=21,225)			Panel D (All years n=62,804)		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Listed trusts	31,904.49	-	145,273.50	22,093.05	-	112,016.90	22,057.25	-	114,069.10	25,284.15	-	124,574.80
Unlisted trusts	53,752.11	-	264,051.80	48,174.74	-	245,248.90	47,711.58	-	225,785.70	49,839.09	-	245,317.50
Insurance policy	341.83	-	10,413.53	412.20	-	18,366.97	206.72	-	9,085.14	319.78	-	13,285.42
Other managed investments	30,620.41	-	152,927.60	22,683.05	-	127,991.90	24,698.22	-	152,552.30	25,955.45	-	144,941.50
Cash and term deposits	155,434.20	49,713.50	358,170.50	156,231.90	52,178.00	317,016.10	149,771.50	51,356.00	304,751.10	153,788.10	51,000.00	327,106.50
Debt securities	1,954.92	-	33,318.31	1,263.67	-	27,839.00	1,159.34	-	21,984.00	1,454.09	-	28,034.33
Loans	4,391.67	-	54,995.44	3,982.09	-	41,715.55	3,729.63	-	52,443.78	4,030.49	-	50,008.69
Listed shares	184,048.40	45,374.00	398,074.40	155,458.30	36,656.00	337,316.00	165,864.10	38,016.00	362,043.60	168,309.00	39,797.50	366,535.00
Unlisted shares	7,428.73	-	88,254.14	7,478.49	-	81,784.18	6,685.21	-	72,131.57	7,194.15	-	80,905.17
Derivatives and instalment warrants	623.97	-	13,021.34	452.19	-	10,566.74	973.08	-	19,060.92	684.31	-	14,685.04
Non-residential real property	61,291.64	-	235,316.20	64,628.03	-	254,967.80	66,471.20	-	251,918.10	64,161.69	-	247,675.60
Residential real property	20,369.20	-	114,066.00	20,916.39	-	122,372.40	23,353.55	-	127,195.80	21,561.40	-	121,416.10
Artwork, collectables, metal or jewels	978.02	-	19,077.40	1,093.14	-	17,624.02	1,176.03	-	18,619.35	1,083.57	-	18,444.72
Other assets	18,292.09	1,211.00	101,367.00	18,436.73	1,980.00	78,651.44	15,696.41	1,855.00	71,603.81	17,463.40	1,657.00	84,643.79
Overseas shares	1,253.79	-	22,163.45	1,597.17	-	43,156.09	1,438.89	-	28,460.67	1,431.57	-	32,543.55
Overseas non-residential real property	135.78	-	11,939.84	182.99	-	15,422.08	211.12	-	13,511.51	177.08	-	13,713.01
Overseas residential real property	115.83	-	5,319.28	84.22	-	3,994.70	205.35	-	8,305.80	135.48	-	6,156.96
Overseas managed investments	602.74	-	18,869.54	339.83	-	8,894.41	379.06	-	8,784.98	438.92	-	12,995.45
Other overseas assets	4,371.08	-	65,756.65	3,386.56	-	46,966.22	2,926.10	-	38,601.74	3,552.36	-	51,533.75
Total assets	577,910.90	322,995.00	817,930.60	528,894.70	294,881.00	753,432.00	534,714.40	303,344.00	742,454.90	546,864.10	305,975.00	771,785.50
Borrowings	973.33	-	20,327.49	2,490.85	-	39,422.02	4,769.47	-	44,084.01	2,765.49	-	36,270.93
Total member account balances	562,419.90	311,802.50	798,757.10	517,994.30	286,733.00	740,763.60	522,438.40	293,428.00	731,726.70	534,000.10	296,909.50	757,468.60
Reserve accounts	287.69	-	8,271.25	376.69	-	13,252.46	321.21	-	10,358.24	328.89	-	10,841.05
Other liabilities	10,536.69	2,719.50	33,205.03	7,938.96	1,575.00	27,778.40	7,185.32	1,094.00	33,058.86	8,532.36	1,690.00	31,468.41
Total liabilities	574,217.60	320,002.00	813,976.90	528,800.80	294,671.00	753,477.50	534,714.40	303,344.00	742,454.90	545,626.80	305,217.00	770,388.70
Member Count	1.88	2.00	.68	1.91	2.00	.68	1.92	2.00	.64	1.90	2.00	.67
Total assessable income	72,539.70	37,786.50	99,401.40	62,124.91	29,967.00	83,975.47	46,139.86	25,815.00	63,260.33	60,122.84	30,578.00	84,036.72
Total deductions	4,777.71	2,381.50	6,921.08	4,897.21	2,582.00	6,675.84	5,286.18	2,790.00	7,080.99	4,989.65	2,581.00	6,898.18
Taxable income	67,753.84	33,052.00	97,364.74	57,224.63	25,138.00	81,960.96	40,850.80	21,003.00	61,256.79	55,128.53	25,811.00	82,094.52

Appendix D.8: Descriptive statistics of self-managed superannuation funds Western Australia (WA) sample, 2008-2010

	Panel A (2008 year n=7,892)			Panel B (2009 year n=8,336)			Panel C (2010 year n=8,315)			Panel D (All years n=24,543)		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Listed trusts	31,278.63	-	135,405.70	22,141.35	-	103,373.30	20,768.79	-	115,135.10	24,614.50	-	118,475.60
Unlisted trusts	44,421.26	-	230,648.80	40,598.28	-	236,503.00	42,213.37	-	229,522.50	42,374.77	-	232,271.80
Insurance policy	184.29	-	6,461.33	398.62	-	19,125.65	106.43	-	4,608.52	230.71	-	12,035.96
Other managed investments	16,590.20	-	103,019.40	13,151.51	-	85,434.86	16,330.43	-	123,195.10	15,334.25	-	105,048.90
Cash and term deposits	159,794.30	49,999.50	318,466.70	153,987.90	54,573.00	309,994.00	154,081.50	52,601.00	302,595.10	155,886.70	52,483.00	310,277.80
Debt securities	1,098.89	-	27,479.52	1,784.35	-	110,391.90	822.04	-	17,125.52	1,237.91	-	66,940.86
Loans	3,745.86	-	72,412.37	2,492.59	-	30,273.58	3,615.74	-	60,352.78	3,276.10	-	56,846.12
Listed shares	194,025.60	47,974.50	519,511.70	147,724.80	37,051.50	376,157.60	197,164.90	47,572.00	1,484,228.00	179,363.10	44,024.00	938,950.80
Unlisted shares	13,032.70	-	89,044.73	10,506.62	-	68,152.30	10,505.89	-	84,339.53	11,318.65	-	80,857.57
Derivatives and instalment warrants	986.65	-	14,882.89	1,544.58	-	27,477.22	1,920.97	-	26,291.20	1,492.69	-	23,705.33
Non-residential real property	65,887.07	-	244,152.50	67,427.74	-	259,450.60	77,301.41	-	288,487.30	70,277.46	-	265,042.60
Residential real property	29,674.08	-	162,130.20	27,332.53	-	140,320.80	32,910.03	-	231,896.90	29,975.09	-	182,652.20
Artwork, collectables, metal or jewels	1,760.21	-	21,560.82	1,902.26	-	21,827.84	2,582.94	-	34,229.19	2,087.19	-	26,614.37
Other assets	16,917.57	711.50	82,570.23	17,935.89	1,564.00	78,705.85	18,242.87	1,649.00	120,485.60	17,712.44	1,275.00	95,990.01
Overseas shares	1,893.68	-	50,031.74	1,638.69	-	52,153.98	1,478.38	-	26,143.52	1,666.37	-	44,274.16
Overseas non-residential real property	105.62	-	4,520.22	225.86	-	10,333.35	296.19	-	10,553.58	211.02	-	8,976.14
Overseas residential real property	229.50	-	7,843.50	167.15	-	6,709.58	75.82	-	3,983.00	156.26	-	6,359.89
Overseas managed investments	548.91	-	35,617.25	225.76	-	6,996.53	779.27	-	60,495.66	517.20	-	40,796.55
Other overseas assets	3,320.32	-	70,527.28	2,398.65	-	56,497.93	2,457.51	-	51,502.83	2,714.96	-	59,851.21
Total assets	585,495.30	320,828.50	840,745.30	513,585.10	288,885.00	757,711.80	583,654.50	312,161.00	1,666,543.00	560,447.40	307,444.00	1,168,019.00
Borrowings	1,209.70	-	28,181.31	2,158.47	-	24,965.17	4,662.44	-	40,152.47	2,701.71	-	31,863.96
Total member account balances	568,741.40	310,543.50	818,485.60	501,362.70	279,824.50	745,194.60	568,770.90	299,960.00	1,542,334.00	545,866.30	295,791.00	1,100,395.00
Reserve accounts	428.18	-	11,348.67	593.00	-	20,780.53	207.31	-	6,039.86	409.33	-	14,158.15
Other liabilities	12,199.25	3,411.00	44,226.12	9,037.14	1,893.00	36,501.38	10,013.78	1,402.00	144,625.00	10,384.82	2,033.00	90,381.87
Total liabilities	582,578.60	318,762.50	839,473.10	513,151.30	288,370.50	757,699.00	583,654.50	312,161.00	1,666,543.00	559,362.20	306,356.00	1,167,709.00
Member Count	1.90	2.00	.68	1.90	2.00	.67	1.92	2.00	.65	1.91	2.00	.66
Total assessable income	80,529.92	44,700.50	103,388.00	66,982.84	32,772.50	96,033.91	51,037.42	28,455.00	85,054.34	65,936.82	33,878.00	95,727.81
Total deductions	5,033.98	2,669.50	6,896.83	5,258.25	2,968.50	6,955.53	5,866.68	3,315.00	7,519.79	5,392.26	2,994.00	7,141.75
Taxable income	75,470.27	39,674.00	101,245.60	61,717.34	27,553.50	94,238.02	45,179.17	23,342.00	83,346.97	60,536.69	28,386.00	93,901.16

Appendix E: Descriptive statistics of self-managed superannuation funds sample, 2008-2010 (including extreme observations)

	Panel A (2008 year n=69,594)			Panel B (2009 year n=71,607)			Panel C (2010 year n=71,862)			Panel D (All years n=213,063)		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Listed trusts	36,846.58	-	162,751.40	25,254.14	-	116,767.70	23,310.03	-	116,454.10	28,384.93	-	133,579.90
Unlisted trusts	60,671.73	-	317,133.30	54,651.15	-	308,930.70	55,223.17	-	319,664.10	56,810.62	-	315,273.70
Insurance policy	490.83	-	17,093.73	458.68	-	17,956.94	289.54	-	11,923.04	412.13	-	15,867.11
Other managed investments	30,897.37	-	288,467.20	22,762.87	-	154,843.60	25,029.48	-	198,515.00	26,184.37	-	220,321.10
Cash and term deposits	158,140.30	48,849.50	367,292.20	159,239.90	52,425.00	329,406.10	153,161.30	51,086.50	333,472.30	156,830.50	50,690.00	343,576.80
Debt securities	2,253.28	-	42,449.06	1,933.66	-	51,801.19	1,959.94	-	33,439.08	2,046.92	-	43,215.13
Loans	4,178.38	-	57,352.26	3,665.08	-	43,040.32	3,593.24	-	50,354.13	3,808.51	-	50,519.43
Listed shares	177,859.50	31,144.00	463,040.10	145,175.10	25,863.00	345,039.10	161,003.60	28,162.00	608,641.30	161,189.60	28,323.00	484,935.60
Unlisted shares	8,828.20	-	85,136.85	8,192.30	-	85,474.37	8,073.56	-	81,050.21	8,359.96	-	83,896.46
Derivatives and instalment warrants	1,066.99	-	23,622.38	1,268.90	-	28,068.79	1,771.39	-	30,864.47	1,372.43	-	27,720.63
Non-residential real property	61,829.72	-	287,345.10	66,602.00	-	295,569.10	71,292.88	-	288,753.20	66,625.34	-	290,630.40
Residential real property	26,329.94	-	146,498.60	25,919.95	-	143,427.20	28,839.78	-	166,045.70	27,038.67	-	152,396.10
Artwork, collectables, metal or jewels	1,165.40	-	17,620.01	1,275.51	-	20,303.16	1,547.74	-	25,192.54	1,331.36	-	21,307.99
Other assets	22,000.10	1,068.50	188,646.50	21,392.97	1,856.00	182,467.60	19,963.24	1,842.00	158,187.70	21,109.06	1,576.00	176,788.50
Overseas shares	1,843.32	-	43,431.93	1,704.44	-	63,709.75	1,760.54	-	40,560.51	1,768.72	-	50,350.20
Overseas non-residential real property	210.39	-	24,157.21	166.91	-	11,558.44	166.66	-	11,250.69	181.03	-	16,679.48
Overseas residential real property	280.18	-	14,628.48	254.74	-	13,455.75	376.47	-	19,952.53	304.11	-	16,279.46
Overseas managed investments	739.84	-	25,925.35	730.16	-	33,756.76	675.67	-	35,546.36	714.95	-	32,072.94
Other overseas assets	3,417.39	-	63,219.77	2,611.61	-	44,313.49	2,486.30	-	41,260.22	2,832.54	-	50,396.17
Total assets	599,049.40	322,360.50	995,825.60	543,260.00	292,691.00	847,287.60	560,524.50	306,283.50	984,027.90	567,305.80	306,780.00	944,622.00
Borrowings	1,309.91	-	30,853.66	4,258.39	-	73,795.97	8,687.28	-	94,127.48	4,789.09	-	71,684.21
Total member account balances	580,419.50	310,410.00	954,009.00	529,234.70	283,742.00	827,243.20	543,116.20	294,304.00	943,023.60	550,635.40	295,832.00	909,764.30
Reserve accounts	675.22	-	27,516.66	594.17	-	22,821.85	569.98	-	30,862.38	612.48	-	27,269.26
Other liabilities	11,381.98	2,766.00	48,753.45	8,991.94	1,715.00	44,495.51	8,151.10	1,219.00	64,545.94	9,489.02	1,803.00	53,373.93
Total liabilities	593,786.60	318,947.50	972,671.60	543,079.20	292,465.00	848,736.00	560,524.50	306,283.50	984,027.90	565,526.00	305,707.00	937,095.80
Member Count	1.90	2.00	.69	1.92	2.00	.68	1.92	2.00	.66	1.91	2.00	.68
Total assessable income	78,343.72	39,199.50	238,218.50	65,676.32	30,835.00	110,211.00	48,960.08	26,732.50	92,884.93	64,175.89	31,448.00	160,225.70
Total deductions	7,709.13	2,592.50	212,323.80	7,082.83	2,834.00	67,184.43	7,117.55	3,056.00	61,800.81	7,299.11	2,829.00	132,402.00
Taxable income	70,601.91	33,628.50	111,217.70	58,590.79	25,327.00	90,432.98	41,842.70	21,154.00	68,477.94	56,865.25	25,946.00	92,244.64

Appendix F: Asset allocation breakdown of Australian SMSF sample, 2008-2010 ranked by size deciles (extreme observations)

Panel A – Asset allocation breakdown of Australian SMSF sample for 2008 year ranked by size deciles - mean as a percentage of total assets (mean) – including extreme observations

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Listed trusts	2.87%	4.31%	5.99%	6.06%	6.69%	6.52%	6.17%	6.98%	6.41%	5.83%	6.15%
Unlisted trusts	3.47%	4.61%	6.39%	6.78%	7.26%	8.04%	8.46%	9.24%	9.49%	12.05%	10.13%
Insurance policy	0.09%	0.22%	0.11%	0.09%	0.10%	0.07%	0.09%	0.07%	0.10%	0.07%	0.08%
Other managed investments	2.72%	3.79%	4.71%	5.13%	5.20%	5.52%	5.57%	5.40%	5.18%	5.05%	5.16%
Cash and term deposits	49.79%	42.79%	35.55%	33.61%	30.18%	28.03%	28.46%	26.65%	26.34%	23.85%	26.40%
Debt securities	0.32%	0.33%	0.17%	0.32%	0.25%	0.32%	0.29%	0.31%	0.34%	0.46%	0.38%
Loans	2.95%	1.91%	1.47%	1.04%	1.06%	0.71%	0.58%	0.43%	0.55%	0.69%	0.70%
Listed shares	24.03%	29.10%	31.42%	30.41%	31.01%	30.51%	29.06%	29.20%	28.87%	29.95%	29.69%
Unlisted shares	2.58%	2.06%	2.01%	1.86%	1.39%	1.35%	1.30%	1.10%	1.37%	1.58%	1.47%
Derivatives and instalment warrants	0.21%	0.35%	0.36%	0.35%	0.28%	0.25%	0.24%	0.23%	0.18%	0.11%	0.18%
Non-residential real property	0.91%	2.55%	3.97%	5.92%	7.62%	8.54%	9.84%	10.81%	11.86%	11.06%	10.32%
Residential real property	0.53%	1.22%	2.15%	2.93%	3.83%	5.36%	5.55%	5.20%	5.16%	3.94%	4.40%
Artwork, collectables, metal or jewels	0.77%	0.73%	0.40%	0.37%	0.35%	0.29%	0.19%	0.22%	0.16%	0.13%	0.19%
Other assets	7.20%	4.88%	4.45%	4.08%	4.05%	3.61%	3.46%	3.52%	3.20%	3.78%	3.67%
Overseas shares	0.44%	0.30%	0.26%	0.31%	0.20%	0.26%	0.22%	0.18%	0.19%	0.42%	0.31%
Overseas non-residential real property	0.06%	0.03%	0.05%	0.07%	0.03%	0.03%	0.02%	0.02%	0.01%	0.05%	0.04%
Overseas residential real property	0.13%	0.15%	0.06%	0.12%	0.07%	0.07%	0.04%	0.05%	0.05%	0.03%	0.05%
Overseas managed investments	0.24%	0.12%	0.08%	0.11%	0.06%	0.09%	0.07%	0.06%	0.13%	0.16%	0.12%
Other overseas assets	0.68%	0.53%	0.42%	0.43%	0.36%	0.44%	0.39%	0.32%	0.42%	0.78%	0.57%
Total assets (%)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total assets - mean (\$)	25,418.33	78,993.93	130,698.80	191,258.00	264,703.30	357,194.80	481,199.70	671,622.20	1,013,087.00	2,499,826.00	599,049.40
Total assets - median (\$)	25,826.50	79,633.00	130,445.00	190,899.50	263,714.00	355,915.00	478,012.00	665,494.00	995,855.50	1,962,973.00	322,360.50
<i>n</i>	6,822	6,697	6,577	6,648	6,884	6,991	6,970	7,063	7,340	7,602	69,594

Panel B - Asset allocation breakdown of Australian SMSF sample for 2009 year ranked by size deciles - mean as a percentage of total assets (mean) – including extreme observations

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Listed trusts	2.60%	3.72%	4.97%	5.02%	4.96%	5.25%	5.26%	5.08%	5.06%	4.10%	4.65%
Unlisted trusts	2.69%	4.46%	5.99%	6.19%	7.03%	7.42%	8.09%	8.67%	9.27%	12.83%	10.06%
Insurance policy	0.08%	0.11%	0.08%	0.09%	0.08%	0.08%	0.06%	0.05%	0.07%	0.10%	0.08%
Other managed investments	2.66%	3.64%	4.46%	4.67%	4.72%	4.81%	4.41%	4.38%	4.02%	3.99%	4.19%
Cash and term deposits	50.78%	43.90%	37.82%	36.70%	32.98%	32.14%	30.55%	29.71%	29.22%	26.19%	29.31%
Debt securities	0.13%	0.23%	0.18%	0.25%	0.23%	0.25%	0.36%	0.28%	0.28%	0.47%	0.36%
Loans	2.21%	1.91%	1.44%	1.09%	0.97%	0.84%	0.56%	0.46%	0.56%	0.60%	0.67%
Listed shares	25.68%	29.21%	30.88%	29.89%	30.21%	28.86%	27.64%	26.95%	26.14%	25.37%	26.72%
Unlisted shares	2.18%	2.01%	1.83%	1.70%	1.61%	1.21%	1.23%	1.21%	1.26%	1.73%	1.51%
Derivatives and instalment warrants	0.18%	0.33%	0.37%	0.41%	0.37%	0.34%	0.28%	0.26%	0.19%	0.17%	0.23%
Non-residential real property	0.71%	2.14%	3.60%	5.32%	7.53%	8.77%	10.78%	12.38%	13.39%	14.77%	12.26%
Residential real property	0.35%	0.84%	1.69%	2.63%	3.61%	4.97%	6.05%	5.81%	5.89%	4.40%	4.77%
Artwork, collectables, metal or jewels	0.99%	0.81%	0.54%	0.41%	0.35%	0.30%	0.27%	0.22%	0.16%	0.17%	0.23%
Other assets	7.75%	5.65%	5.32%	4.75%	4.62%	4.04%	3.81%	3.86%	3.71%	3.73%	3.94%
Overseas shares	0.24%	0.27%	0.23%	0.26%	0.17%	0.15%	0.22%	0.17%	0.22%	0.47%	0.31%
Overseas non-residential real property	0.06%	0.07%	0.02%	0.02%	0.02%	0.04%	0.01%	0.02%	0.04%	0.03%	0.03%
Overseas residential real property	0.03%	0.06%	0.07%	0.10%	0.09%	0.03%	0.06%	0.06%	0.03%	0.04%	0.05%
Overseas managed investments	0.10%	0.09%	0.08%	0.08%	0.08%	0.08%	0.05%	0.06%	0.09%	0.22%	0.13%
Other overseas assets	0.58%	0.56%	0.42%	0.43%	0.38%	0.40%	0.33%	0.36%	0.38%	0.62%	0.48%
Total assets (%)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total assets - mean (\$)	25,637.53	78,845.76	130,868.80	191,036.80	264,303.70	356,952.40	481,447.50	670,561.30	1,010,829.00	2,444,393.00	543,260.00
Total assets - median (\$)	26,064.50	79,510.50	130,604.00	190,377.00	263,237.50	356,051.00	479,239.50	664,043.00	994,103.00	1,929,895.00	292,691.00
<i>n</i>	<i>7,378</i>	<i>7,622</i>	<i>7,367</i>	<i>7,375</i>	<i>7,188</i>	<i>7,067</i>	<i>7,134</i>	<i>7,045</i>	<i>6,748</i>	<i>6,683</i>	<i>71,607</i>

Panel C - Asset allocation breakdown of Australian SMSF sample for 2010 year ranked by size deciles - mean as a percentage of total assets (mean) – including extreme observations

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Listed trusts	2.01%	3.24%	4.17%	4.77%	4.35%	4.56%	4.68%	4.49%	4.34%	3.81%	4.16%
Unlisted trusts	2.37%	4.18%	5.93%	6.44%	7.26%	7.82%	7.83%	8.22%	9.35%	12.29%	9.85%
Insurance policy	0.04%	0.04%	0.07%	0.07%	0.08%	0.08%	0.05%	0.06%	0.03%	0.05%	0.05%
Other managed investments	2.38%	3.10%	4.19%	4.62%	4.99%	4.41%	4.73%	4.44%	4.40%	4.47%	4.47%
Cash and term deposits	52.82%	45.02%	39.26%	35.98%	32.54%	30.56%	29.23%	28.07%	27.28%	23.47%	27.32%
Debt securities	0.20%	0.14%	0.17%	0.23%	0.32%	0.30%	0.25%	0.28%	0.39%	0.41%	0.35%
Loans	2.03%	1.73%	1.52%	0.91%	0.85%	0.67%	0.60%	0.49%	0.53%	0.59%	0.64%
Listed shares	25.35%	30.40%	31.21%	31.67%	31.39%	30.62%	28.05%	28.84%	28.15%	28.09%	28.72%
Unlisted shares	2.25%	2.24%	1.81%	1.53%	1.25%	1.22%	1.18%	1.12%	1.18%	1.69%	1.44%
Derivatives and instalment warrants	0.15%	0.28%	0.29%	0.45%	0.49%	0.42%	0.42%	0.42%	0.34%	0.21%	0.32%
Non-residential real property	0.82%	2.02%	3.51%	4.89%	7.82%	9.66%	11.60%	13.14%	13.66%	15.05%	12.72%
Residential real property	0.57%	0.81%	1.77%	2.67%	3.45%	5.12%	6.64%	6.05%	6.25%	4.89%	5.15%
Artwork, collectables, metal or jewels	0.87%	0.73%	0.63%	0.56%	0.43%	0.36%	0.32%	0.31%	0.20%	0.20%	0.28%
Other assets	7.19%	5.05%	4.46%	4.33%	3.98%	3.49%	3.52%	3.39%	3.16%	3.55%	3.56%
Overseas shares	0.30%	0.25%	0.30%	0.27%	0.25%	0.25%	0.26%	0.22%	0.21%	0.42%	0.31%
Overseas non-residential real property	0.08%	0.08%	0.01%	0.06%	0.03%	0.02%	0.06%	0.03%	0.03%	0.02%	0.03%
Overseas residential real property	0.05%	0.09%	0.15%	0.13%	0.07%	0.04%	0.08%	0.05%	0.04%	0.07%	0.07%
Overseas managed investments	0.10%	0.09%	0.07%	0.06%	0.05%	0.09%	0.07%	0.04%	0.08%	0.19%	0.12%
Other overseas assets	0.44%	0.51%	0.51%	0.35%	0.40%	0.32%	0.41%	0.35%	0.37%	0.53%	0.44%
Total assets (%)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total assets - mean (\$)	25,453.29	78,267.33	130,928.90	191,409.70	264,376.10	356,354.60	481,184.90	668,332.50	1,008,688.00	2,441,396.00	560,524.50
Total assets - median (\$)	25,500.50	78,298.00	130,834.00	190,774.00	263,619.50	354,872.00	478,806.00	661,327.50	989,341.00	1,908,795.00	306,283.50
<i>n</i>	<i>7,106</i>	<i>6,987</i>	<i>7,363</i>	<i>7,283</i>	<i>7,234</i>	<i>7,249</i>	<i>7,202</i>	<i>7,198</i>	<i>7,219</i>	<i>7,021</i>	<i>71,862</i>

Panel D - Asset allocation breakdown of Australian SMSF sample for all years ranked by size deciles - mean as a percentage of total assets (mean) – including extreme observations

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Listed trusts	2.49%	3.75%	5.00%	5.26%	5.31%	5.43%	5.36%	5.51%	5.28%	4.63%	5.00%
Unlisted trusts	2.83%	4.42%	6.09%	6.46%	7.18%	7.76%	8.12%	8.71%	9.37%	12.37%	10.01%
Insurance policy	0.07%	0.12%	0.09%	0.08%	0.09%	0.08%	0.07%	0.06%	0.07%	0.07%	0.07%
Other managed investments	2.58%	3.51%	4.44%	4.80%	4.97%	4.91%	4.90%	4.74%	4.55%	4.53%	4.62%
Cash and term deposits	51.15%	43.92%	37.62%	35.49%	31.92%	30.25%	29.42%	28.14%	27.57%	24.45%	27.64%
Debt securities	0.21%	0.23%	0.17%	0.27%	0.27%	0.29%	0.30%	0.29%	0.34%	0.44%	0.36%
Loans	2.39%	1.85%	1.48%	1.01%	0.96%	0.74%	0.58%	0.46%	0.55%	0.63%	0.67%
Listed shares	25.05%	29.56%	31.16%	30.66%	30.87%	30.00%	28.24%	28.33%	27.76%	27.92%	28.41%
Unlisted shares	2.33%	2.10%	1.88%	1.69%	1.42%	1.26%	1.23%	1.14%	1.27%	1.66%	1.47%
Derivatives and instalment warrants	0.18%	0.32%	0.34%	0.41%	0.38%	0.34%	0.32%	0.31%	0.24%	0.16%	0.24%
Non-residential real property	0.81%	2.23%	3.69%	5.36%	7.66%	9.00%	10.75%	12.12%	12.95%	13.52%	11.74%
Residential real property	0.48%	0.95%	1.86%	2.74%	3.63%	5.15%	6.08%	5.69%	5.76%	4.39%	4.77%
Artwork, collectables, metal or jewels	0.88%	0.76%	0.53%	0.45%	0.38%	0.31%	0.26%	0.25%	0.17%	0.17%	0.23%
Other assets	7.39%	5.21%	4.75%	4.40%	4.22%	3.71%	3.60%	3.59%	3.35%	3.69%	3.72%
Overseas shares	0.32%	0.27%	0.26%	0.28%	0.21%	0.22%	0.23%	0.19%	0.21%	0.43%	0.31%
Overseas non-residential real property	0.07%	0.06%	0.02%	0.05%	0.03%	0.03%	0.03%	0.02%	0.03%	0.04%	0.03%
Overseas residential real property	0.07%	0.10%	0.09%	0.11%	0.08%	0.05%	0.06%	0.05%	0.04%	0.05%	0.05%
Overseas managed investments	0.14%	0.10%	0.08%	0.08%	0.07%	0.09%	0.07%	0.05%	0.10%	0.19%	0.13%
Other overseas assets	0.56%	0.53%	0.45%	0.41%	0.38%	0.39%	0.38%	0.34%	0.39%	0.65%	0.50%
Total assets (%)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total assets - mean (\$)	25,505.90	78,702.65	130,837.10	191,233.30	264,457.40	356,828.60	481,277.70	670,160.00	1,010,881.00	2,463,184.00	567,305.80
Total assets - median (\$)	25,834.50	79,129.50	130,614.00	190,691.00	263,510.00	355,605.00	478,766.00	663,707.50	993,067.00	1,937,601.00	306,780.00
<i>n</i>	21,306	21,306	21,307	21,306	21,306	21,307	21,306	21,306	21,307	21,306	213,063

Panel E – Asset allocation breakdown of Australian SMSF sample for 2008 year ranked by size deciles – mean (\$)– including extreme observations

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Listed trusts	728.89	3,407.77	7,826.74	11,587.53	17,721.40	23,275.12	29,689.75	46,903.99	64,905.94	145,837.40	36,846.58
Unlisted trusts	882.67	3,644.29	8,350.74	12,976.59	19,227.39	28,715.64	40,727.15	62,062.64	96,150.07	301,196.90	60,671.73
Insurance policy	23.96	173.80	138.29	162.75	261.45	241.42	425.69	499.31	1,040.57	1,739.14	490.83
Other managed investments	692.36	2,997.79	6,151.25	9,813.92	13,762.77	19,709.37	26,818.53	36,237.23	52,429.42	126,222.10	30,897.37
Cash and term deposits	12,656.38	33,801.24	46,464.65	64,279.48	79,885.11	100,126.70	136,938.20	179,012.90	266,824.20	596,256.90	158,140.30
Debt securities	80.72	261.89	215.83	615.23	669.61	1,155.30	1,393.23	2,106.22	3,411.28	11,403.35	2,253.28
Loans	750.31	1,508.46	1,922.22	1,987.31	2,807.16	2,542.56	2,797.99	2,859.23	5,612.10	17,327.82	4,178.38
Listed shares	6,108.95	22,990.08	41,065.72	58,165.70	82,096.88	108,963.30	139,832.40	196,128.10	292,481.40	748,740.50	177,859.50
Unlisted shares	654.83	1,624.80	2,622.50	3,558.86	3,691.16	4,826.27	6,234.12	7,417.20	13,921.42	39,589.67	8,828.20
Derivatives and instalment warrants	54.28	274.80	476.04	670.65	748.18	897.08	1,171.79	1,529.35	1,794.87	2,748.08	1,066.99
Non-residential real property	230.90	2,017.86	5,193.51	11,327.98	20,158.13	30,503.41	47,346.92	72,622.49	120,162.90	276,436.30	61,829.72
Residential real property	134.69	962.00	2,813.60	5,600.06	10,125.53	19,150.01	26,701.12	34,940.77	52,273.40	98,546.16	26,329.94
Artwork, collectables, metal or jewels	195.79	579.24	523.20	716.18	915.06	1,019.37	936.11	1,468.16	1,655.67	3,316.90	1,165.40
Other assets	1,829.29	3,851.67	5,814.14	7,811.19	10,709.47	12,903.01	16,629.77	23,635.55	32,416.34	94,438.30	22,000.10
Overseas shares	112.59	238.97	333.73	597.26	542.63	932.56	1,037.69	1,179.57	1,892.72	10,528.56	1,843.32
Overseas non-residential real property	16.14	24.18	63.78	126.13	71.19	99.73	77.59	108.96	108.15	1,291.86	210.39
Overseas residential real property	32.03	121.38	72.93	221.35	184.65	240.39	187.42	358.79	471.53	823.91	280.18
Overseas managed investments	61.27	97.28	100.31	209.57	160.45	325.77	355.18	402.91	1,319.36	3,943.53	739.84
Other overseas assets	172.29	416.45	549.61	830.22	965.06	1,567.82	1,899.02	2,148.78	4,215.41	19,438.75	3,417.39
	728.89	3,407.77	7,826.74	11,587.53	17,721.40	23,275.12	29,689.75	46,903.99	64,905.94	145,837.40	36,846.58
Total assets - mean (\$)	25,418.34	78,993.93	130,698.77	191,257.95	264,703.26	357,194.84	481,199.67	671,622.15	1,013,086.74	2,499,826.13	599,049.44
Total assets - median (\$)	25,826.50	79,633.00	130,445.00	190,899.50	263,714.00	355,915.00	478,012.00	665,494.00	995,855.50	1,962,973.00	322,360.50
<i>n</i>	<i>6,822</i>	<i>6,697</i>	<i>6,577</i>	<i>6,648</i>	<i>6,884</i>	<i>6,991</i>	<i>6,970</i>	<i>7,063</i>	<i>7,340</i>	<i>7,602</i>	<i>69,594</i>

Panel F - Asset allocation breakdown of Australian SMSF sample for 2009 year ranked by size deciles - mean (\$) – including extreme observations

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Listed trusts	666.56	2,932.13	6,500.35	9,582.10	13,116.91	18,723.43	25,345.58	34,086.54	51,150.60	100,228.70	25,254.14
Unlisted trusts	689.16	3,518.33	7,832.61	11,818.83	18,586.90	26,487.22	38,954.58	58,167.61	93,674.47	313,637.70	54,651.15
Insurance policy	19.66	84.08	107.00	167.55	210.90	297.57	299.63	306.52	747.76	2,554.66	458.68
Other managed investments	681.14	2,866.41	5,832.99	8,921.02	12,476.47	17,179.94	21,215.36	29,362.08	40,606.40	97,416.38	22,762.87
Cash and term deposits	13,019.25	34,612.18	49,496.19	70,102.53	87,159.46	114,720.10	147,072.20	199,221.50	295,373.30	640,137.90	159,239.90
Debt securities	34.39	178.66	239.73	475.26	596.72	907.42	1,713.59	1,863.23	2,854.83	11,410.97	1,933.66
Loans	567.78	1,507.98	1,883.06	2,080.02	2,554.55	2,998.82	2,679.26	3,117.97	5,671.24	14,760.70	3,665.08
Listed shares	6,584.46	23,028.33	40,418.63	57,109.85	79,838.76	103,016.40	133,055.20	180,694.50	264,252.20	620,263.50	145,175.10
Unlisted shares	558.16	1,586.40	2,389.38	3,250.75	4,253.00	4,322.84	5,899.98	8,116.64	12,718.22	42,290.09	8,192.30
Derivatives and instalment warrants	46.42	261.12	490.40	790.61	975.06	1,215.39	1,370.88	1,768.50	1,965.26	4,187.86	1,268.90
Non-residential real property	181.36	1,684.64	4,717.60	10,161.06	19,909.85	31,301.86	51,883.51	83,035.50	135,303.20	361,039.70	66,602.00
Residential real property	89.80	659.68	2,214.02	5,024.61	9,543.25	17,734.21	29,124.67	38,973.60	59,586.18	107,531.80	25,919.95
Artwork, collectables, metal or jewels	254.10	639.74	708.00	776.91	934.87	1,057.30	1,314.50	1,486.94	1,633.40	4,275.32	1,275.51
Other assets	1,986.95	4,457.42	6,967.39	9,068.76	12,206.50	14,426.24	18,345.60	25,894.88	37,532.50	91,092.98	21,392.97
Overseas shares	60.56	213.20	301.71	502.71	445.34	549.71	1,042.26	1,173.34	2,264.78	11,368.75	1,704.44
Overseas non-residential real property	16.04	53.93	20.28	35.09	55.79	157.91	46.21	137.74	368.13	854.92	166.91
Overseas residential real property	8.17	49.99	87.59	181.80	227.67	118.10	265.73	378.02	341.38	969.62	254.74
Overseas managed investments	25.11	72.75	108.33	159.48	219.29	294.66	234.37	390.72	929.91	5,268.99	730.16
Other overseas assets	148.48	438.79	553.56	827.82	992.41	1,443.39	1,584.41	2,385.48	3,854.93	15,102.52	2,611.61
Total assets - mean (\$)	25,637.53	78,845.76	130,868.80	191,036.80	264,303.70	356,952.40	481,447.50	670,561.30	1,010,829.00	2,444,393.00	543,260.00
Total assets - median (\$)	26,064.50	79,510.50	130,604.00	190,377.00	263,237.50	356,051.00	479,239.50	664,043.00	994,103.00	1,929,895.00	292,691.00
<i>n</i>	<i>7,378</i>	<i>7,622</i>	<i>7,367</i>	<i>7,375</i>	<i>7,188</i>	<i>7,067</i>	<i>7,134</i>	<i>7,045</i>	<i>6,748</i>	<i>6,683</i>	<i>71,607</i>

Panel G - Asset allocation breakdown of Australian SMSF sample for 2010 year ranked by size deciles - mean (\$) – including extreme observations

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Listed trusts	511.29	2,531.96	5,453.43	9,131.09	11,489.18	16,243.43	22,523.53	29,981.88	43,729.37	92,943.75	23,310.03
Unlisted trusts	602.82	3,269.81	7,757.71	12,324.14	19,197.32	27,854.50	37,653.43	54,903.83	94,360.71	299,969.00	55,223.17
Insurance policy	11.29	33.03	92.06	143.15	213.31	273.23	264.44	392.91	343.43	1,145.17	289.54
Other managed investments	604.69	2,422.43	5,481.10	8,840.04	13,191.97	15,697.86	22,737.93	29,707.04	44,370.35	109,041.90	25,029.48
Cash and term deposits	13,445.52	35,237.84	51,401.37	68,870.30	86,019.02	108,906.20	140,659.20	187,603.70	275,144.70	573,036.20	153,161.30
Debt securities	50.17	111.63	225.64	441.74	852.49	1,073.50	1,196.28	1,873.77	3,979.20	9,977.57	1,959.94
Loans	516.38	1,355.48	1,985.84	1,740.26	2,258.63	2,394.40	2,910.06	3,253.00	5,331.74	14,416.99	3,593.24
Listed shares	6,453.43	23,792.76	40,862.11	60,626.62	82,975.38	109,101.10	134,977.40	192,747.20	283,990.50	685,768.70	161,003.60
Unlisted shares	571.62	1,756.92	2,368.91	2,922.87	3,297.47	4,348.27	5,666.42	7,461.99	11,853.59	41,254.60	8,073.56
Derivatives and instalment warrants	37.88	216.70	379.56	867.70	1,302.50	1,513.12	2,038.95	2,823.45	3,432.76	5,158.63	1,771.39
Non-residential real property	208.02	1,581.89	4,593.32	9,368.57	20,683.67	34,411.37	55,832.09	87,844.10	137,799.70	367,527.70	71,292.88
Residential real property	144.67	635.31	2,314.41	5,110.10	9,119.48	18,257.01	31,937.74	40,431.39	63,090.79	119,349.20	28,839.78
Artwork, collectables, metal or jewels	220.44	574.04	830.75	1,066.98	1,143.52	1,286.22	1,523.51	2,064.00	2,010.71	4,816.78	1,547.74
Other assets	1,831.00	3,952.76	5,833.46	8,295.45	10,510.41	12,454.18	16,961.01	22,624.61	31,900.26	86,739.25	19,963.24
Overseas shares	75.81	193.45	387.06	522.26	660.60	881.13	1,255.11	1,479.47	2,094.78	10,254.24	1,760.54
Overseas non-residential real property	19.64	60.57	8.02	121.52	75.81	80.61	304.31	220.44	310.52	472.43	166.66
Overseas residential real property	11.69	69.48	201.47	240.98	183.41	131.26	396.65	348.49	396.29	1,814.90	376.47
Overseas managed investments	25.82	68.23	89.43	105.65	136.02	320.47	353.78	251.17	847.05	4,655.92	675.67
Other overseas assets	111.13	403.05	663.26	670.26	1,065.88	1,126.72	1,993.17	2,320.02	3,701.64	13,053.01	2,486.30
Total assets - mean (\$)	25,453.29	78,267.34	130,928.91	191,409.69	264,376.09	356,354.58	481,184.99	668,332.47	1,008,688.10	2,441,395.93	560,524.53
Total assets - median (\$)	25,500.50	78,298.00	130,834.00	190,774.00	263,619.50	354,872.00	478,806.00	661,327.50	989,341.00	1,908,795.00	306,283.50
<i>n</i>	<i>7,106</i>	<i>6,987</i>	<i>7,363</i>	<i>7,283</i>	<i>7,234</i>	<i>7,249</i>	<i>7,202</i>	<i>7,198</i>	<i>7,219</i>	<i>7,021</i>	<i>71,862</i>

Panel H - Asset allocation breakdown of Australian SMSF sample for all years ranked by size deciles - mean (\$)

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Listed trusts	634.73	2,950.40	6,548.00	10,053.67	14,051.97	19,373.14	25,812.80	36,948.85	53,374.77	114,101.30	28,384.93
Unlisted trusts	722.32	3,476.42	7,966.66	12,352.81	19,001.10	27,683.56	39,094.63	58,356.19	94,759.78	304,694.60	56,810.62
Insurance policy	18.24	95.54	111.50	157.71	228.05	270.86	328.97	399.61	711.64	1,799.21	412.13
Other managed investments	659.23	2,762.11	5,809.63	9,171.95	13,135.01	17,505.64	23,563.04	31,757.75	45,954.55	111,525.30	26,184.37
Cash and term deposits	13,045.23	34,562.46	49,218.79	67,864.38	84,421.89	107,953.90	141,589.20	188,597.30	278,684.80	602,369.00	156,830.50
Debt securities	54.49	182.84	227.48	507.48	707.11	1,045.25	1,433.93	1,947.34	3,427.47	10,935.90	2,046.92
Loans	609.08	1,458.12	1,930.66	1,934.95	2,535.70	2,643.48	2,796.12	3,077.82	5,535.84	15,563.39	3,808.51
Listed shares	6,388.50	23,266.99	40,771.62	58,641.44	81,633.33	107,037.70	135,922.00	189,882.70	280,664.30	687,690.20	161,189.60
Unlisted shares	593.60	1,654.39	2,454.26	3,234.81	3,747.04	4,496.67	5,930.34	7,663.61	12,839.76	40,985.35	8,359.96
Derivatives and instalment warrants	46.09	250.86	447.66	779.53	1,012.93	1,212.24	1,531.57	2,045.62	2,403.77	3,994.05	1,372.43
Non-residential real property	206.11	1,755.68	4,821.56	10,254.28	20,252.81	32,097.79	51,734.14	81,208.09	130,933.40	332,991.10	66,625.34
Residential real property	122.47	746.72	2,433.79	5,233.39	9,587.50	18,376.61	29,282.73	38,129.20	58,254.41	108,219.90	27,038.67
Artwork, collectables, metal or jewels	224.20	599.18	693.37	857.12	999.31	1,122.74	1,261.37	1,675.67	1,768.90	4,111.78	1,331.36
Other assets	1,884.45	4,101.52	6,219.56	8,412.03	11,146.94	13,255.53	17,316.26	24,041.08	33,861.79	90,851.90	21,109.06
Overseas shares	82.30	214.82	341.09	538.90	549.86	788.08	1,112.71	1,278.83	2,079.01	10,701.70	1,768.72
Overseas non-residential real property	17.27	46.75	29.47	93.04	67.56	112.52	143.72	156.14	259.05	884.78	181.03
Overseas residential real property	16.98	78.82	122.42	214.37	198.74	162.70	284.37	361.67	404.82	1,196.18	304.11
Overseas managed investments	36.92	78.98	99.32	156.71	172.01	313.65	314.25	347.61	1,036.00	4,594.04	714.95
Other overseas assets	143.65	420.05	590.25	774.71	1,008.52	1,376.48	1,825.50	2,284.90	3,927.17	15,974.31	2,832.54
Total assets - mean (\$)	25,505.90	78,702.65	130,837.09	191,233.26	264,457.39	356,828.55	481,277.65	670,159.98	1,010,881.23	2,463,183.98	567,305.75
Total assets - median (\$)	25,834.50	79,129.50	130,614.00	190,691.00	263,510.00	355,605.00	478,766.00	663,707.50	993,067.00	1,937,601.00	306,780.00
<i>n</i>	<i>21,306</i>	<i>21,306</i>	<i>21,307</i>	<i>21,306</i>	<i>21,306</i>	<i>21,307</i>	<i>21,306</i>	<i>21,306</i>	<i>21,307</i>	<i>21,306</i>	<i>213,063</i>

Appendix G: Asset allocation breakdown of SMSF sample, 2008-2010 ranked by investment in growth assets deciles (extreme observations)

Panel A - Asset allocation breakdown of Australian SMSF sample for 2008 year ranked by growth assets deciles - mean as a percentage of total assets (mean) – including extreme observations

% in growth assets	0-10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	70-80%	80-90%	90-100%	Total
Listed trusts	0.08%	1.64%	2.44%	3.47%	4.74%	5.10%	6.56%	8.11%	8.75%	7.29%	6.15%
Unlisted trusts	0.09%	1.56%	2.75%	3.81%	5.34%	6.65%	8.57%	9.24%	12.48%	16.52%	10.13%
Insurance policy	0.32%	0.31%	0.16%	0.11%	0.10%	0.07%	0.07%	0.08%	0.04%	0.01%	0.08%
Other managed investments	0.06%	0.90%	1.98%	2.09%	2.93%	3.56%	4.33%	5.49%	7.38%	7.37%	5.16%
Cash and term deposits	81.51%	69.91%	62.50%	52.83%	46.49%	37.08%	28.37%	19.93%	11.45%	3.10%	26.40%
Debt securities	1.06%	0.90%	0.74%	1.02%	0.58%	0.69%	0.45%	0.30%	0.17%	0.02%	0.38%
Loans	2.55%	1.82%	1.45%	1.60%	0.99%	0.95%	0.75%	0.46%	0.22%	0.07%	0.70%
Listed shares	0.85%	8.40%	12.42%	17.49%	20.98%	25.71%	29.29%	33.88%	36.58%	40.83%	29.69%
Unlisted shares	0.09%	0.48%	0.57%	1.10%	0.97%	1.18%	1.18%	1.56%	1.75%	2.18%	1.47%
Derivatives and instalment warrants	0.59%	0.36%	0.30%	0.49%	0.36%	0.34%	0.13%	0.16%	0.05%	0.01%	0.18%
Non-residential real property	0.05%	1.49%	3.34%	5.17%	7.36%	8.69%	10.44%	11.53%	12.78%	14.63%	10.32%
Residential real property	0.06%	0.80%	1.62%	1.89%	2.82%	4.00%	4.57%	5.20%	5.18%	6.22%	4.40%
Artwork, collectables, metal or jewels	0.43%	0.34%	0.60%	0.29%	0.32%	0.26%	0.25%	0.22%	0.11%	0.04%	0.19%
Other assets	10.74%	9.03%	7.56%	6.48%	4.29%	4.12%	3.77%	2.89%	2.27%	1.09%	3.67%
Overseas shares	0.00%	0.10%	0.15%	0.25%	0.21%	0.24%	0.35%	0.34%	0.35%	0.43%	0.31%
Overseas non-residential real property	0.00%	0.01%	0.00%	0.00%	0.00%	0.01%	0.01%	0.04%	0.09%	0.04%	0.04%
Overseas residential real property	0.00%	0.00%	0.02%	0.00%	0.03%	0.05%	0.00%	0.02%	0.06%	0.09%	0.05%
Overseas managed investments	0.37%	0.44%	0.15%	0.30%	0.23%	0.22%	0.18%	0.09%	0.03%	0.01%	0.12%
Other overseas assets	1.16%	1.53%	1.24%	1.63%	1.25%	1.08%	0.76%	0.48%	0.25%	0.05%	0.57%
Total assets (%)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total assets - mean (\$)	295,933.90	593,577.80	666,132.30	675,526.60	703,903.40	695,860.90	700,715.80	664,939.20	675,987.10	672,946.70	599,049.40
Total assets - median (\$)	128,045.00	314,664.00	356,674.00	364,513.00	379,123.00	389,897.00	410,161.00	400,010.00	387,803.50	378,210.50	322,360.50
<i>n</i>	<i>14,057</i>	<i>1,725</i>	<i>1,997</i>	<i>2,410</i>	<i>2,965</i>	<i>3,845</i>	<i>5,228</i>	<i>7,181</i>	<i>11,050</i>	<i>19,136</i>	<i>69,594</i>

Panel B - Asset allocation breakdown of Australian SMSF sample for 2009 year ranked by growth assets deciles - mean as a percentage of total assets (mean) – including extreme observations

% in growth assets	0-10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	70-80%	80-90%	90-100%	Total
Listed trusts	0.11%	1.39%	2.30%	2.79%	3.82%	5.02%	5.61%	5.68%	6.54%	5.60%	4.65%
Unlisted trusts	0.09%	1.35%	2.42%	3.24%	5.04%	6.69%	7.54%	10.68%	12.36%	18.64%	10.06%
Insurance policy	0.15%	0.69%	0.17%	0.18%	0.14%	0.08%	0.06%	0.05%	0.02%	0.01%	0.08%
Other managed investments	0.06%	0.96%	1.50%	2.38%	3.07%	3.32%	4.96%	4.88%	5.31%	6.14%	4.19%
Cash and term deposits	83.46%	69.35%	62.29%	55.63%	47.18%	37.76%	28.85%	19.84%	11.05%	3.05%	29.31%
Debt securities	0.90%	0.73%	1.34%	0.55%	0.51%	0.60%	0.31%	0.23%	0.16%	0.02%	0.36%
Loans	2.08%	2.20%	1.56%	1.01%	0.96%	0.98%	0.54%	0.35%	0.24%	0.06%	0.67%
Listed shares	0.91%	8.64%	14.25%	18.88%	21.52%	25.77%	28.60%	32.62%	35.93%	34.74%	26.72%
Unlisted shares	0.06%	0.50%	0.62%	0.86%	0.99%	1.42%	1.49%	1.62%	2.03%	2.23%	1.51%
Derivatives and instalment warrants	0.71%	0.80%	0.77%	0.60%	0.29%	0.28%	0.15%	0.13%	0.05%	0.00%	0.23%
Non-residential real property	0.07%	1.25%	2.71%	5.07%	7.90%	8.94%	12.02%	13.59%	16.44%	19.83%	12.26%
Residential real property	0.01%	0.98%	1.12%	1.83%	2.58%	3.76%	4.66%	5.59%	6.41%	7.58%	4.77%
Artwork, collectables, metal or jewels	0.61%	0.39%	0.32%	0.38%	0.38%	0.34%	0.24%	0.18%	0.15%	0.04%	0.23%
Other assets	9.57%	9.10%	6.86%	4.96%	4.54%	3.80%	3.68%	3.49%	2.77%	1.36%	3.94%
Overseas shares	0.01%	0.10%	0.21%	0.20%	0.20%	0.28%	0.24%	0.56%	0.23%	0.50%	0.31%
Overseas non-residential real property	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.09%	0.01%	0.02%	0.06%	0.03%
Overseas residential real property	0.00%	0.04%	0.01%	0.00%	0.01%	0.02%	0.03%	0.06%	0.05%	0.10%	0.05%
Overseas managed investments	0.29%	0.66%	0.22%	0.27%	0.13%	0.23%	0.25%	0.08%	0.02%	0.01%	0.13%
Other overseas assets	0.91%	0.87%	1.34%	1.16%	0.74%	0.70%	0.68%	0.37%	0.23%	0.04%	0.48%
Total assets (%)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total assets - mean (\$)	269,720.30	579,938.40	602,887.80	613,518.20	656,867.10	629,389.20	637,300.30	617,464.50	604,014.70	625,313.30	543,260.00
Total assets - median (\$)	130,001.00	304,126.50	312,144.00	342,449.50	359,240.00	353,681.00	372,613.00	360,664.00	349,834.00	354,539.50	292,691.00
<i>n</i>	<i>15,752</i>	<i>2,090</i>	<i>2,348</i>	<i>2,802</i>	<i>3,492</i>	<i>4,387</i>	<i>5,836</i>	<i>7,707</i>	<i>10,859</i>	<i>16,334</i>	<i>71,607</i>

Panel C - Asset allocation breakdown of Australian SMSF sample for 2010 year ranked by growth assets deciles - mean as a percentage of total assets (mean) – including extreme observations

% in growth assets	0-10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	70-80%	80-90%	90-100%	Total
Listed trusts	0.08%	1.09%	1.90%	2.43%	3.08%	3.84%	4.92%	4.84%	5.90%	5.09%	4.16%
Unlisted trusts	0.09%	1.62%	2.65%	3.52%	5.81%	6.60%	8.58%	9.99%	12.66%	15.56%	9.85%
Insurance policy	0.13%	0.33%	0.20%	0.14%	0.02%	0.06%	0.06%	0.04%	0.01%	0.00%	0.05%
Other managed investments	0.05%	0.76%	1.42%	3.36%	2.58%	3.14%	4.56%	5.15%	6.10%	6.16%	4.47%
Cash and term deposits	82.69%	68.53%	63.32%	54.99%	45.91%	37.66%	28.91%	20.40%	11.45%	3.17%	27.32%
Debt securities	0.67%	0.83%	1.02%	0.58%	0.71%	0.53%	0.54%	0.44%	0.16%	0.02%	0.35%
Loans	2.39%	2.18%	1.65%	0.87%	0.79%	0.94%	0.64%	0.30%	0.20%	0.06%	0.64%
Listed shares	0.87%	8.98%	13.99%	17.17%	22.11%	26.38%	28.47%	33.12%	36.29%	38.84%	28.72%
Unlisted shares	0.05%	0.61%	0.75%	0.93%	1.09%	1.56%	1.21%	1.53%	1.49%	2.16%	1.44%
Derivatives and instalment warrants	1.11%	1.18%	0.96%	0.91%	0.51%	0.40%	0.25%	0.10%	0.08%	0.01%	0.32%
Non-residential real property	0.07%	1.41%	2.83%	5.02%	7.05%	9.23%	11.96%	14.62%	16.43%	19.15%	12.72%
Residential real property	0.02%	0.72%	1.48%	2.50%	2.97%	4.11%	5.19%	5.60%	6.08%	7.89%	5.15%
Artwork, collectables, metal or jewels	0.97%	0.75%	0.50%	0.59%	0.35%	0.29%	0.30%	0.21%	0.10%	0.03%	0.28%
Other assets	9.68%	9.45%	5.78%	5.69%	5.23%	3.99%	3.26%	2.64%	2.33%	1.19%	3.56%
Overseas shares	0.01%	0.15%	0.18%	0.19%	0.30%	0.26%	0.26%	0.41%	0.35%	0.44%	0.31%
Overseas non-residential real property	0.00%	0.00%	0.01%	0.01%	0.02%	0.03%	0.06%	0.01%	0.02%	0.05%	0.03%
Overseas residential real property	0.00%	0.02%	0.01%	0.02%	0.04%	0.01%	0.04%	0.05%	0.09%	0.12%	0.07%
Overseas managed investments	0.51%	0.33%	0.22%	0.04%	0.11%	0.22%	0.15%	0.07%	0.04%	0.00%	0.12%
Other overseas assets	0.61%	1.07%	1.11%	1.03%	1.32%	0.74%	0.64%	0.48%	0.21%	0.04%	0.44%
Total assets (%)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total assets - mean (\$)	273,206.10	542,178.50	601,870.80	630,911.90	626,248.90	640,359.40	645,203.20	645,967.90	617,377.00	672,433.40	560,524.50
Total assets - median (\$)	133,675.00	295,986.00	334,700.00	333,948.00	351,293.50	383,460.50	375,994.00	372,560.50	368,439.00	378,897.50	306,283.50
<i>n</i>	15,761	1,977	2,177	2,485	3,208	3,982	5,315	7,230	11,325	18,402	71,862

Panel D - Asset allocation breakdown of Australian SMSF sample for all years ranked by growth assets deciles - mean as a percentage of total assets (mean) – including extreme observations

% in growth assets	0-10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	70-80%	80-90%	90-100%	Total
Listed trusts	0.09%	1.37%	2.22%	2.90%	3.89%	4.67%	5.71%	6.22%	7.11%	6.04%	5.00%
Unlisted trusts	0.09%	1.50%	2.60%	3.52%	5.38%	6.65%	8.22%	9.97%	12.50%	16.80%	10.01%
Insurance policy	0.20%	0.46%	0.18%	0.14%	0.09%	0.07%	0.06%	0.06%	0.02%	0.01%	0.07%
Other managed investments	0.05%	0.87%	1.63%	2.60%	2.87%	3.34%	4.62%	5.17%	6.31%	6.59%	4.62%
Cash and term deposits	82.56%	69.26%	62.69%	54.50%	46.55%	37.50%	28.71%	20.05%	11.32%	3.11%	27.64%
Debt securities	0.87%	0.82%	1.04%	0.72%	0.60%	0.61%	0.43%	0.32%	0.16%	0.02%	0.36%
Loans	2.34%	2.07%	1.55%	1.16%	0.91%	0.96%	0.64%	0.37%	0.22%	0.06%	0.67%
Listed shares	0.88%	8.67%	13.57%	17.88%	21.53%	25.94%	28.79%	33.21%	36.28%	38.38%	28.41%
Unlisted shares	0.07%	0.53%	0.65%	0.96%	1.02%	1.38%	1.29%	1.57%	1.75%	2.19%	1.47%
Derivatives and instalment warrants	0.81%	0.79%	0.68%	0.66%	0.38%	0.34%	0.17%	0.13%	0.06%	0.01%	0.24%
Non-residential real property	0.06%	1.38%	2.96%	5.09%	7.45%	8.95%	11.47%	13.24%	15.14%	17.70%	11.74%
Residential real property	0.03%	0.84%	1.40%	2.06%	2.78%	3.95%	4.80%	5.46%	5.86%	7.19%	4.77%
Artwork, collectables, metal or jewels	0.67%	0.49%	0.47%	0.42%	0.35%	0.29%	0.26%	0.20%	0.12%	0.04%	0.23%
Other assets	9.99%	9.19%	6.74%	5.69%	4.68%	3.97%	3.58%	3.01%	2.45%	1.20%	3.72%
Overseas shares	0.01%	0.12%	0.18%	0.21%	0.24%	0.26%	0.28%	0.44%	0.31%	0.45%	0.31%
Overseas non-residential real property	0.00%	0.00%	0.00%	0.00%	0.01%	0.02%	0.05%	0.02%	0.04%	0.05%	0.03%
Overseas residential real property	0.00%	0.02%	0.01%	0.01%	0.02%	0.03%	0.02%	0.05%	0.06%	0.10%	0.05%
Overseas managed investments	0.39%	0.48%	0.20%	0.21%	0.16%	0.22%	0.19%	0.08%	0.03%	0.00%	0.13%
Other overseas assets	0.89%	1.14%	1.23%	1.27%	1.09%	0.84%	0.70%	0.44%	0.23%	0.05%	0.50%
Total assets (%)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Total assets - mean (\$)	279,012.00	571,111.80	621,913.40	638,549.20	661,134.00	653,891.20	660,106.30	642,195.30	632,498.30	658,328.90	567,305.80
Total assets - median (\$)	130,876.50	304,795.00	332,196.00	346,522.00	362,292.00	377,768.50	385,299.00	376,783.50	367,711.00	371,026.00	306,780.00
<i>n</i>	<i>45,570</i>	<i>5,792</i>	<i>6,522</i>	<i>7,697</i>	<i>9,665</i>	<i>12,214</i>	<i>16,379</i>	<i>22,118</i>	<i>33,234</i>	<i>53,872</i>	<i>213,063</i>

Panel E - Asset allocation breakdown of Australian SMSF sample for 2008 year ranked by growth assets deciles - mean (\$) – including extreme observations

% in growth assets	0-10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	70-80%	80-90%	90-100%	Total
Listed trusts	251.86	9,730.28	16,197.55	23,199.04	33,274.32	34,712.06	44,937.02	52,001.07	57,518.28	47,066.22	35,839.59
Unlisted trusts	268.37	9,258.37	18,135.72	25,436.28	37,056.65	46,283.20	60,070.60	60,179.64	83,160.45	108,073.20	59,670.75
Insurance policy	966.77	1,873.53	1,090.60	737.46	727.57	499.06	488.88	497.91	265.35	32.34	494.63
Other managed investments	181.63	5,339.79	12,977.06	14,134.67	19,171.11	24,452.42	30,202.77	33,707.34	45,991.13	47,170.25	29,321.01
Cash and term deposits	245,330.80	413,748.80	416,747.40	355,955.30	316,833.20	255,796.30	196,820.30	129,226.90	74,836.54	20,095.04	156,971.90
Debt securities	3,202.56	5,434.05	4,963.00	6,837.29	4,154.24	4,753.46	2,884.19	1,882.64	1,008.15	153.24	2,210.44
Loans	7,733.89	10,742.35	9,775.31	10,990.41	7,044.79	6,130.68	5,230.03	2,669.73	1,421.15	449.62	4,133.77
Listed shares	2,544.81	49,200.55	82,519.81	118,769.00	143,763.30	177,033.50	201,077.70	220,407.00	240,854.10	269,651.20	174,969.80
Unlisted shares	264.40	2,856.95	3,814.17	7,504.87	6,352.58	8,236.19	8,110.67	9,896.17	11,166.10	14,573.83	8,659.42
Derivatives and instalment warrants	1,550.24	1,671.57	1,392.32	2,682.61	2,361.46	2,205.58	812.38	805.13	354.80	69.34	927.30
Non-residential real property	148.23	8,566.61	21,810.00	33,499.79	49,209.73	58,970.11	71,615.59	73,536.65	79,393.94	92,365.04	58,561.77
Residential real property	149.71	4,797.35	10,930.60	12,334.36	18,767.95	26,883.04	31,222.08	32,544.00	32,279.96	39,181.00	24,865.40
Artwork, collectables, metal or jewels	1,297.08	2,056.90	4,035.54	2,007.69	2,303.63	1,715.98	1,797.14	1,421.38	766.13	250.79	1,163.43
Other assets	30,440.01	51,779.08	46,879.56	42,519.33	29,124.80	27,146.83	24,986.67	17,987.47	14,368.31	6,894.53	20,869.29
Overseas shares	9.33	601.87	1,040.19	1,406.43	1,366.67	1,604.06	2,282.39	2,240.58	2,181.23	2,557.87	1,700.58
Overseas non-residential real property	-	59.89	-	12.62	-	57.25	98.34	239.45	611.83	286.90	213.95
Overseas residential real property	0.73	-	120.05	7.57	183.59	208.54	20.91	162.03	378.22	579.91	261.88
Overseas managed investments	1,122.68	2,621.50	1,042.16	1,688.86	1,201.29	1,508.48	1,081.17	596.69	238.67	40.64	705.17
Other overseas assets	3,367.36	9,173.00	8,352.35	10,587.12	8,198.92	7,358.22	5,042.52	3,180.80	1,592.68	334.04	3,322.28
Total assets - mean (\$)	295,933.90	593,577.80	666,132.30	675,526.60	703,903.40	695,860.90	700,715.80	664,939.20	675,987.10	672,946.70	599,049.40
Total assets - median (\$)	128,045.00	314,664.00	356,674.00	364,513.00	379,123.00	389,897.00	410,161.00	400,010.00	387,803.50	378,210.50	322,360.50
<i>n</i>	<i>14,057</i>	<i>1,725</i>	<i>1,997</i>	<i>2,410</i>	<i>2,965</i>	<i>3,845</i>	<i>5,228</i>	<i>7,181</i>	<i>11,050</i>	<i>19,136</i>	<i>69,594</i>

Panel F - Asset allocation breakdown of Australian SMSF sample for 2009 year ranked by growth assets deciles - mean (\$) – including extreme observations

% in growth assets	0-10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	70-80%	80-90%	90-100%	Total
Listed trusts	314.04	7,818.56	13,773.82	17,181.32	24,662.68	31,277.48	35,495.98	34,460.79	38,391.18	34,388.24	24,873.90
Unlisted trusts	258.58	7,824.47	14,536.31	18,681.93	32,528.56	41,122.71	47,373.84	64,791.39	72,182.67	113,432.30	53,363.60
Insurance policy	407.47	4,033.11	1,012.78	1,152.38	929.32	523.72	408.33	313.45	72.15	60.80	455.77
Other managed investments	153.63	5,532.35	8,431.20	13,076.54	20,051.07	20,242.70	30,894.67	29,527.69	31,899.55	37,529.72	22,349.39
Cash and term deposits	229,734.70	399,432.10	374,981.80	334,293.40	304,478.40	234,231.30	177,297.60	118,371.60	64,725.13	18,162.80	157,847.10
Debt securities	2,489.35	4,294.48	7,960.78	3,451.87	3,234.33	3,810.43	1,982.17	1,361.64	795.43	122.08	1,916.97
Loans	5,752.61	12,753.96	9,428.67	5,809.45	5,039.64	5,876.88	3,305.44	2,149.70	1,371.36	371.76	3,570.63
Listed shares	2,493.73	49,447.34	83,472.51	114,297.70	140,106.10	161,374.40	178,666.30	197,233.60	212,691.00	214,474.40	143,250.50
Unlisted shares	152.14	2,830.32	3,544.91	4,899.50	6,478.09	8,785.58	9,113.54	9,765.71	10,790.88	13,482.42	7,802.18
Derivatives and instalment warrants	1,320.13	3,674.49	2,103.78	2,902.65	1,833.90	1,427.72	886.59	479.92	266.07	25.54	927.00
Non-residential real property	188.11	6,777.08	15,799.59	30,065.21	48,619.68	55,087.28	68,863.53	75,798.80	90,173.10	105,243.30	59,269.53
Residential real property	40.36	4,969.18	6,221.65	11,159.41	15,522.39	21,672.66	28,983.80	32,062.07	35,175.07	43,930.78	24,102.54
Artwork, collectables, metal or jewels	1,696.74	2,310.07	1,917.46	2,166.33	1,913.12	2,085.00	1,505.25	1,062.80	701.86	234.69	1,205.81
Other assets	25,631.19	44,160.49	32,447.05	29,902.40	28,684.01	23,466.66	22,806.24	20,790.95	15,882.80	7,980.91	20,320.05
Overseas shares	18.58	516.42	1,253.65	1,259.39	1,316.31	1,735.51	1,420.40	3,163.87	1,388.50	2,276.46	1,469.96
Overseas non-residential real property	6.44	-	-	15.49	44.85	69.45	574.86	71.80	131.91	250.33	140.42
Overseas residential real property	4.85	249.93	75.86	24.98	66.40	145.22	168.59	360.34	278.78	593.99	254.75
Overseas managed investments	731.20	3,111.89	324.89	1,660.94	863.14	1,344.32	1,451.78	382.16	93.22	18.40	629.91
Other overseas assets	2,233.28	5,079.13	7,295.19	6,391.39	4,894.23	4,184.94	4,194.04	2,084.41	1,286.03	229.17	2,440.05
Total assets - mean (\$)	269,720.30	579,938.40	602,887.80	613,518.20	656,867.10	629,389.20	637,300.30	617,464.50	604,014.70	625,313.30	543,260.00
Total assets - median (\$)	130,001.00	304,126.50	312,144.00	342,449.50	359,240.00	353,681.00	372,613.00	360,664.00	349,834.00	354,539.50	292,691.00
<i>n</i>	<i>15,324</i>	<i>2,070</i>	<i>2,318</i>	<i>2,757</i>	<i>3,456</i>	<i>4,330</i>	<i>5,753</i>	<i>7,606</i>	<i>10,711</i>	<i>16,059</i>	<i>70,384</i>

Panel G - Asset allocation breakdown of Australian SMSF sample for 2010 year ranked by growth assets deciles - mean (\$) – including extreme observations

% in growth assets	0-10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	70-80%	80-90%	90-100%	Total
Listed trusts	206.09	5,762.59	11,188.80	15,129.63	19,446.97	24,550.02	31,455.85	31,098.38	36,410.80	33,691.42	23,157.55
Unlisted trusts	261.68	8,175.48	16,052.08	22,156.25	35,224.46	42,156.98	53,398.03	64,302.94	76,280.23	102,522.90	54,174.15
Insurance policy	352.50	1,802.08	1,237.36	885.19	118.73	406.14	381.52	255.94	61.24	29.51	294.52
Other managed investments	131.44	4,112.11	8,523.22	16,494.03	16,239.32	20,221.41	28,832.78	31,373.30	36,131.27	38,924.03	23,798.50
Cash and term deposits	230,338.40	371,450.60	375,350.40	335,068.20	286,562.00	238,497.10	181,925.20	128,163.90	68,518.62	20,462.55	152,201.90
Debt securities	1,869.61	4,539.40	6,212.74	3,718.17	4,490.47	3,405.97	3,075.00	2,607.59	842.45	144.33	1,905.19
Loans	6,606.51	11,862.40	9,709.35	5,540.54	4,977.86	5,984.65	3,680.90	1,814.04	1,115.99	359.80	3,536.97
Listed shares	2,374.85	48,487.79	81,984.50	108,243.40	138,952.20	167,806.80	179,576.40	211,519.10	221,405.90	260,507.80	159,969.10
Unlisted shares	150.80	3,212.30	4,495.66	5,394.69	5,799.93	9,987.00	7,263.56	9,564.50	9,214.62	13,912.36	7,779.06
Derivatives and instalment warrants	2,332.10	4,175.27	4,277.30	2,917.38	2,040.06	2,332.25	1,335.84	480.81	387.91	45.36	1,297.28
Non-residential real property	206.60	7,690.88	16,068.03	30,365.93	41,485.92	57,186.95	72,289.54	85,472.60	90,907.83	107,417.30	62,668.39
Residential real property	69.00	3,969.74	8,818.00	15,339.05	17,777.59	24,810.05	31,600.97	34,155.21	35,192.95	46,986.96	26,469.88
Artwork, collectables, metal or jewels	2,715.71	3,749.29	3,051.74	3,782.09	2,154.99	1,815.60	1,912.55	1,269.26	618.14	211.53	1,539.43
Other assets	25,700.46	48,225.93	32,256.60	35,650.30	29,660.21	24,550.47	19,531.40	16,115.90	13,702.59	7,488.87	19,010.63
Overseas shares	20.68	847.84	1,045.83	948.11	1,893.36	1,417.46	1,568.84	2,546.80	2,175.39	2,938.26	1,724.89
Overseas non-residential real property	0.05	-	55.75	61.43	109.70	206.76	7.24	68.49	122.14	374.40	142.59
Overseas residential real property	3.60	107.63	85.58	146.80	140.88	96.12	272.33	339.29	557.65	652.63	332.43
Overseas managed investments	961.56	1,803.75	1,332.54	274.62	707.32	1,438.27	728.48	471.18	244.73	21.02	567.32
Other overseas assets	1,684.66	5,700.75	6,025.22	6,548.42	7,338.79	4,776.58	4,028.05	3,147.09	1,282.50	268.53	2,420.88
Total assets - mean (\$)	279,012.00	571,111.80	621,913.40	638,549.20	661,134.00	653,891.20	660,106.30	642,195.30	632,498.30	658,328.90	567,305.80
Total assets - median (\$)	130,876.50	304,795.00	332,196.00	346,522.00	362,292.00	377,768.50	385,299.00	376,783.50	367,711.00	371,026.00	306,780.00
<i>n</i>	<i>15,355</i>	<i>1,953</i>	<i>2,149</i>	<i>2,455</i>	<i>3,161</i>	<i>3,953</i>	<i>5,247</i>	<i>7,149</i>	<i>11,179</i>	<i>17,997</i>	<i>70,598</i>

Panel H - Asset allocation breakdown of Australian SMSF sample for all years ranked by growth assets deciles - mean (\$) – including extreme observations

% in growth assets	0-10%	10-20%	20-30%	30-40%	40-50%	50-60%	60-70%	70-80%	80-90%	90-100%	Total
Listed trusts	257.51	7,685.90	13,654.55	18,402.46	25,577.09	30,155.96	37,200.69	39,053.27	44,075.85	38,672.55	27,878.86
Unlisted trusts	262.67	8,370.66	16,145.47	21,921.43	34,810.38	43,083.48	53,385.66	63,134.75	77,229.58	107,812.00	55,698.01
Insurance policy	560.39	2,629.87	1,111.56	935.98	598.99	477.50	425.36	354.50	132.67	40.01	414.11
Other managed investments	154.55	4,990.67	9,855.58	14,513.50	18,518.81	21,559.17	30,004.32	31,488.23	38,027.53	41,441.79	25,116.21
Cash and term deposits	234,739.50	394,146.30	387,909.30	341,328.90	302,335.00	242,406.70	185,036.80	125,099.40	69,380.32	19,633.78	155,658.00
Debt securities	2,493.85	4,716.94	6,458.58	4,598.39	3,932.51	3,974.55	2,625.09	1,938.48	882.19	140.76	2,008.90
Loans	6,657.79	11,851.59	9,628.58	7,345.22	5,634.28	5,991.93	4,042.18	2,208.63	1,300.86	395.46	3,743.32
Listed shares	2,468.23	49,046.66	82,684.04	113,739.60	140,845.80	168,402.00	186,121.60	209,429.90	225,026.00	249,802.70	159,252.30
Unlisted shares	186.20	2,968.53	3,944.62	5,875.74	6,215.00	9,005.98	8,192.62	9,742.21	10,378.31	14,017.82	8,074.53
Derivatives and instalment warrants	1,741.64	3,249.59	2,610.73	2,838.49	2,064.01	1,968.23	1,008.71	585.76	337.11	47.90	1,051.92
Non-residential real property	182.26	7,620.99	17,731.82	31,238.26	46,438.21	56,994.99	70,854.86	78,230.45	86,839.49	101,389.80	60,184.03
Residential real property	83.91	4,577.19	8,531.45	12,879.51	17,264.84	24,337.26	30,548.43	32,903.49	34,218.54	43,276.00	25,149.90
Artwork, collectables, metal or jewels	1,927.03	2,725.65	2,945.21	2,639.33	2,113.01	1,880.84	1,730.72	1,246.75	694.69	232.56	1,304.43
Other assets	27,133.85	47,813.00	36,808.26	35,713.64	29,142.51	24,978.25	22,439.79	18,351.09	14,636.03	7,426.19	20,058.12
Overseas shares	16.46	654.87	1,118.88	1,204.75	1,522.86	1,590.11	1,743.97	2,662.26	1,920.32	2,601.83	1,631.27
Overseas non-residential real property	2.24	17.81	18.60	29.45	52.57	110.55	238.37	125.13	288.15	305.55	165.18
Overseas residential real property	3.15	127.06	92.65	58.94	127.02	149.06	155.09	289.09	406.91	608.91	283.27
Overseas managed investments	931.42	2,519.87	880.94	1,221.22	915.27	1,426.67	1,098.59	480.92	193.23	27.22	633.40
Other overseas assets	2,391.84	6,508.73	7,195.65	7,756.36	6,717.53	5,376.14	4,411.23	2,788.03	1,386.79	279.95	2,721.90
Total assets - mean (\$)	282,194.49	562,221.88	609,326.46	624,241.17	644,825.67	643,869.37	641,264.07	620,112.33	607,354.57	628,152.77	551,027.65
Total assets - median (\$)	130,876.50	304,795.00	332,196.00	346,522.00	362,292.00	377,768.50	385,299.00	376,783.50	367,711.00	371,026.00	306,874.00
<i>n</i>	<i>44,301</i>	<i>5,726</i>	<i>6,442</i>	<i>7,589</i>	<i>9,545</i>	<i>12,081</i>	<i>16,164</i>	<i>21,845</i>	<i>32,794</i>	<i>52,933</i>	<i>209,420</i>

Appendix H: Breakdown of income, expenses and tax for SMSF sample as a percentage of assets (mean), 2008-2010 ranked by total assets size (extreme observations)

Panel A – Breakdown of income, expenses and tax for 2008 year ranked by total assets size deciles - mean as a percentage of total assets (mean) - including extreme observations

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Income											
Capital gains	4.03%	2.22%	2.59%	2.29%	2.34%	2.56%	2.26%	2.25%	1.99%	2.20%	2.22%
Rent	0.22%	0.17%	0.35%	0.42%	0.55%	0.63%	0.74%	0.78%	0.84%	0.78%	0.74%
Interest received	3.16%	1.70%	1.56%	1.47%	1.37%	1.31%	1.34%	1.33%	1.35%	1.37%	1.37%
Foreign income	0.10%	0.10%	0.13%	0.14%	0.15%	0.17%	0.16%	0.18%	0.18%	0.18%	0.17%
Dividends received	1.23%	1.14%	1.17%	1.20%	1.18%	1.19%	1.10%	1.13%	1.13%	1.10%	1.12%
Concessional contributions received	28.54%	20.65%	13.16%	14.18%	10.85%	10.00%	9.38%	8.12%	6.75%	4.07%	6.84%
Other income	13.30%	-0.62%	-0.78%	-0.68%	-0.21%	-0.68%	-0.44%	0.16%	0.34%	-0.27%	-0.12%
<i>Total income</i>	<u>50.58%</u>	<u>25.37%</u>	<u>18.18%</u>	<u>19.01%</u>	<u>16.22%</u>	<u>15.18%</u>	<u>14.54%</u>	<u>13.96%</u>	<u>12.57%</u>	<u>9.44%</u>	<u>12.34%</u>
Less: expenses											
Interest paid	0.25%	0.12%	0.11%	0.08%	0.08%	0.07%	0.14%	0.07%	0.04%	0.03%	0.05%
Depreciation	0.06%	0.04%	0.04%	0.03%	0.04%	0.05%	0.05%	0.05%	0.05%	0.04%	0.05%
Insurance premiums paid	1.12%	0.54%	0.41%	0.31%	0.23%	0.18%	0.15%	0.12%	0.08%	0.04%	0.11%
Audit fees	0.57%	0.26%	0.17%	0.14%	0.10%	0.09%	0.06%	0.05%	0.04%	0.02%	0.05%
Investment expenses	15.78%	0.42%	0.38%	0.31%	0.80%	0.31%	0.31%	0.43%	0.86%	0.22%	0.46%
Management & administration expenses	3.12%	1.32%	0.96%	0.81%	0.69%	0.63%	0.49%	0.41%	0.33%	0.21%	0.38%
Other expenses	2.27%	0.84%	0.46%	0.31%	0.23%	0.22%	0.17%	0.69%	0.18%	0.12%	0.24%
<i>Total expenses (mean)</i>	<u>23.16%</u>	<u>3.54%</u>	<u>2.53%</u>	<u>1.99%</u>	<u>2.18%</u>	<u>1.55%</u>	<u>1.36%</u>	<u>1.82%</u>	<u>1.58%</u>	<u>0.67%</u>	<u>1.33%</u>
<i>Total expenses (median)</i>	<u>2.66%</u>	<u>1.63%</u>	<u>1.37%</u>	<u>1.16%</u>	<u>0.98%</u>	<u>0.89%</u>	<u>0.76%</u>	<u>0.68%</u>	<u>0.56%</u>	<u>0.34%</u>	<u>0.45%</u>
Net income before tax	27.41%	21.83%	15.65%	17.02%	14.04%	13.63%	13.18%	12.14%	10.99%	8.76%	11.01%
Less: income tax											
Tax on contributions	4.28%	3.10%	1.97%	2.13%	1.63%	1.50%	1.41%	1.22%	1.01%	0.61%	1.03%
Tax on investment income	0.48%	0.44%	0.60%	0.63%	0.69%	0.75%	0.76%	0.79%	0.81%	0.88%	0.81%
Less: franking credits	-0.47%	-0.45%	-0.46%	-0.47%	-0.46%	-0.47%	-0.43%	-0.45%	-0.45%	-0.43%	-0.44%
<i>Net income tax expense</i>	<u>4.29%</u>	<u>3.09%</u>	<u>2.11%</u>	<u>2.29%</u>	<u>1.85%</u>	<u>1.79%</u>	<u>1.73%</u>	<u>1.56%</u>	<u>1.37%</u>	<u>1.06%</u>	<u>1.39%</u>
Net income after tax	<u>23.12%</u>	<u>18.74%</u>	<u>13.54%</u>	<u>14.73%</u>	<u>12.18%</u>	<u>11.84%</u>	<u>11.45%</u>	<u>10.58%</u>	<u>9.62%</u>	<u>7.70%</u>	<u>9.62%</u>
Net income after tax (excluding contributions)	-1.14%	1.19%	2.35%	2.68%	2.97%	3.35%	3.48%	3.67%	3.89%	4.24%	3.81%
<i>n</i>	6,822	6,697	6,577	6,648	6,884	6,991	6,970	7,063	7,340	7,602	69,594

Panel B - Breakdown of income, expenses and tax for 2009 year ranked by total assets size deciles - mean as a percentage of total assets (mean) - including extreme observations

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Income											
Capital gains	1.64%	0.58%	0.62%	0.59%	0.58%	0.63%	0.56%	0.61%	0.50%	0.58%	0.58%
Rent	0.16%	0.14%	0.25%	0.38%	0.53%	0.61%	0.81%	0.90%	0.96%	1.04%	0.88%
Interest received	2.35%	1.57%	1.45%	1.49%	1.35%	1.37%	1.33%	1.33%	1.37%	1.37%	1.37%
Foreign income	0.08%	0.12%	0.18%	0.20%	0.22%	0.22%	0.21%	0.21%	0.22%	0.21%	0.21%
Dividends received	1.41%	1.30%	1.37%	1.34%	1.39%	1.31%	1.26%	1.22%	1.22%	1.19%	1.23%
Concessional contributions received	28.01%	18.68%	12.32%	13.14%	10.56%	9.61%	8.83%	7.91%	6.86%	4.09%	6.95%
Other income	0.02%	1.23%	0.32%	0.36%	0.39%	0.35%	0.46%	0.72%	0.56%	0.73%	0.61%
<i>Total income</i>	<i>33.66%</i>	<i>23.62%</i>	<i>16.51%</i>	<i>17.51%</i>	<i>15.02%</i>	<i>14.11%</i>	<i>13.46%</i>	<i>12.89%</i>	<i>11.68%</i>	<i>9.20%</i>	<i>11.84%</i>
Less: expenses											
Interest paid	0.21%	0.18%	0.14%	0.14%	0.10%	0.10%	0.09%	0.07%	0.06%	0.09%	0.09%
Depreciation	0.15%	0.05%	0.04%	0.04%	0.04%	0.05%	0.05%	0.06%	0.06%	0.06%	0.06%
Insurance premiums paid	1.40%	0.66%	0.50%	0.36%	0.27%	0.20%	0.17%	0.15%	0.10%	0.05%	0.14%
Audit fees	0.75%	0.32%	0.22%	0.17%	0.13%	0.10%	0.08%	0.06%	0.05%	0.02%	0.06%
Investment expenses	0.84%	0.48%	0.30%	0.36%	0.30%	0.30%	0.40%	0.28%	0.28%	0.23%	0.36%
Management & administration expenses	3.56%	1.46%	1.08%	0.88%	0.72%	0.62%	0.53%	0.42%	0.35%	0.21%	0.42%
Other expenses	3.65%	1.53%	0.47%	0.41%	0.26%	0.19%	0.20%	0.45%	0.20%	0.25%	0.30%
<i>Total expenses (mean)</i>	<i>10.56%</i>	<i>4.68%</i>	<i>2.74%</i>	<i>2.36%</i>	<i>1.82%</i>	<i>1.57%</i>	<i>1.52%</i>	<i>1.49%</i>	<i>1.10%</i>	<i>0.92%</i>	<i>1.43%</i>
<i>Total expenses (median)</i>	<i>3.45%</i>	<i>1.93%</i>	<i>1.59%</i>	<i>1.29%</i>	<i>1.14%</i>	<i>0.99%</i>	<i>0.88%</i>	<i>0.74%</i>	<i>0.61%</i>	<i>0.40%</i>	<i>0.54%</i>
Net income before tax	23.10%	18.93%	13.76%	15.14%	13.20%	12.54%	11.94%	11.40%	10.59%	8.28%	10.41%
Less: income tax											
Tax on contributions	4.20%	2.80%	1.85%	1.97%	1.58%	1.44%	1.33%	1.19%	1.03%	0.61%	1.04%
Tax on investment income	0.03%	0.22%	0.36%	0.45%	0.52%	0.56%	0.58%	0.63%	0.66%	0.73%	0.64%
Less: franking credits	-0.54%	-0.51%	-0.54%	-0.53%	-0.55%	-0.52%	-0.49%	-0.48%	-0.48%	-0.46%	-0.48%
<i>Net income tax expense</i>	<i>3.69%</i>	<i>2.51%</i>	<i>1.67%</i>	<i>1.89%</i>	<i>1.56%</i>	<i>1.48%</i>	<i>1.41%</i>	<i>1.34%</i>	<i>1.21%</i>	<i>0.89%</i>	<i>1.21%</i>
Net income after tax	19.41%	16.42%	12.09%	13.25%	11.64%	11.06%	10.52%	10.07%	9.37%	7.39%	9.20%
Net income after tax (excluding contributions)	-4.40%	0.55%	1.62%	2.08%	2.66%	2.89%	3.01%	3.34%	3.54%	3.91%	3.29%
<i>n</i>	<i>7,378</i>	<i>7,622</i>	<i>7,367</i>	<i>7,375</i>	<i>7,188</i>	<i>7,067</i>	<i>7,134</i>	<i>7,045</i>	<i>6,748</i>	<i>6,683</i>	<i>71,607</i>

Panel C - Breakdown of income, expenses and tax for 2010 year ranked by total assets size deciles - mean as a percentage of total assets (mean) - including extreme observations

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Income											
Capital gains	1.98%	1.09%	1.08%	0.92%	0.91%	0.81%	0.72%	0.69%	0.72%	0.79%	0.79%
Rent	0.13%	0.14%	0.23%	0.34%	0.53%	0.67%	0.82%	0.90%	0.99%	1.03%	0.89%
Interest received	1.72%	1.17%	1.08%	1.02%	0.93%	0.92%	0.94%	0.90%	0.95%	0.91%	0.93%
Foreign income	0.04%	0.04%	0.06%	0.07%	0.08%	0.08%	0.08%	0.08%	0.09%	0.10%	0.09%
Dividends received	0.96%	0.97%	1.09%	1.07%	1.09%	1.10%	1.01%	1.05%	1.03%	1.00%	1.03%
Concessional contributions received	30.30%	14.15%	9.45%	8.07%	7.17%	6.28%	5.52%	4.84%	3.95%	2.19%	4.24%
Other income	-0.41%	0.57%	-0.09%	0.11%	0.07%	0.09%	0.67%	0.23%	0.24%	0.37%	0.30%
<i>Total income</i>	<i>34.71%</i>	<i>18.14%</i>	<i>12.89%</i>	<i>11.59%</i>	<i>10.78%</i>	<i>9.95%</i>	<i>9.76%</i>	<i>8.69%</i>	<i>7.98%</i>	<i>6.39%</i>	<i>8.27%</i>
Less: expenses											
Interest paid	0.26%	0.12%	0.12%	0.12%	0.11%	0.11%	0.13%	0.10%	0.10%	0.09%	0.10%
Depreciation	0.08%	0.03%	0.04%	0.04%	0.03%	0.05%	0.06%	0.07%	0.07%	0.07%	0.06%
Insurance premiums paid	1.67%	0.72%	0.55%	0.43%	0.30%	0.27%	0.19%	0.16%	0.12%	0.05%	0.15%
Audit fees	0.86%	0.35%	0.25%	0.18%	0.14%	0.12%	0.09%	0.07%	0.05%	0.03%	0.07%
Investment expenses	0.66%	0.34%	0.32%	0.37%	0.33%	0.31%	0.32%	0.29%	0.28%	0.24%	0.28%
Management & administration expenses	3.83%	1.45%	1.08%	0.89%	0.74%	0.62%	0.54%	0.43%	0.35%	0.22%	0.42%
Other expenses	1.51%	1.36%	0.32%	0.27%	0.18%	0.20%	0.67%	0.13%	0.14%	0.11%	0.21%
<i>Total expenses (mean)</i>	<i>8.87%</i>	<i>4.37%</i>	<i>2.68%</i>	<i>2.30%</i>	<i>1.83%</i>	<i>1.69%</i>	<i>1.99%</i>	<i>1.25%</i>	<i>1.12%</i>	<i>0.81%</i>	<i>1.30%</i>
<i>Total expenses (median)</i>	<i>3.66%</i>	<i>2.04%</i>	<i>1.61%</i>	<i>1.39%</i>	<i>1.16%</i>	<i>1.02%</i>	<i>0.91%</i>	<i>0.77%</i>	<i>0.66%</i>	<i>0.42%</i>	<i>0.56%</i>
Net income before tax	25.84%	13.77%	10.21%	9.30%	8.95%	8.26%	7.77%	7.44%	6.86%	5.58%	6.97%
Less: income tax											
Tax on contributions	4.54%	2.12%	1.42%	1.21%	1.07%	0.94%	0.83%	0.73%	0.59%	0.33%	0.64%
Tax on investment income	-0.13%	0.13%	0.26%	0.31%	0.39%	0.41%	0.44%	0.49%	0.54%	0.61%	0.52%
Less: franking credits	-0.35%	-0.37%	-0.41%	-0.40%	-0.42%	-0.41%	-0.38%	-0.40%	-0.39%	-0.38%	-0.39%
<i>Net income tax expense</i>	<i>4.06%</i>	<i>1.88%</i>	<i>1.27%</i>	<i>1.11%</i>	<i>1.05%</i>	<i>0.94%</i>	<i>0.89%</i>	<i>0.81%</i>	<i>0.74%</i>	<i>0.56%</i>	<i>0.76%</i>
Net income after tax	21.78%	11.88%	8.94%	8.18%	7.90%	7.32%	6.88%	6.62%	6.12%	5.03%	6.21%
Net income after tax (excluding contributions)	-3.98%	-0.15%	0.91%	1.33%	1.81%	1.98%	2.19%	2.51%	2.76%	3.16%	2.61%
<i>n</i>	<i>7,106</i>	<i>6,987</i>	<i>7,363</i>	<i>7,283</i>	<i>7,234</i>	<i>7,249</i>	<i>7,202</i>	<i>7,198</i>	<i>7,219</i>	<i>7,021</i>	<i>71,862</i>

Panel D - Breakdown of income, expenses and tax for all years ranked by total assets size deciles - mean as a percentage of total assets (mean) - including extreme observations

Decile band	Observations	1	2	3	4	5	6	7	8	9	10	Total
Income												
Capital gains	49,224	2.52%	1.26%	1.38%	1.23%	1.26%	1.32%	1.17%	1.18%	1.09%	1.23%	1.21%
Rent	33,849	0.17%	0.15%	0.27%	0.38%	0.53%	0.64%	0.79%	0.86%	0.93%	0.94%	0.83%
Interest received	188,233	2.40%	1.48%	1.35%	1.32%	1.21%	1.20%	1.20%	1.18%	1.22%	1.22%	1.23%
Foreign income	73,882	0.07%	0.09%	0.12%	0.14%	0.15%	0.16%	0.15%	0.15%	0.16%	0.16%	0.16%
Dividends received	122,464	1.20%	1.14%	1.21%	1.20%	1.22%	1.20%	1.12%	1.13%	1.13%	1.09%	1.13%
Concessional contributions received	157,512	28.94%	17.79%	11.58%	11.70%	9.49%	8.59%	7.88%	6.93%	5.83%	3.46%	6.00%
Other income		4.12%	0.43%	-0.16%	-0.05%	0.09%	-0.08%	0.24%	0.37%	0.38%	0.25%	0.26%
<i>Total income</i>		<u>39.41%</u>	<u>22.35%</u>	<u>15.76%</u>	<u>15.91%</u>	<u>13.95%</u>	<u>13.03%</u>	<u>12.55%</u>	<u>11.81%</u>	<u>10.73%</u>	<u>8.36%</u>	<u>10.81%</u>
Less: expenses												
Interest paid	20,085	0.24%	0.14%	0.12%	0.12%	0.10%	0.10%	0.12%	0.08%	0.07%	0.07%	0.08%
Depreciation	15,561	0.10%	0.04%	0.04%	0.04%	0.04%	0.05%	0.06%	0.06%	0.06%	0.06%	0.06%
Insurance premiums paid	39,284	1.40%	0.65%	0.49%	0.37%	0.27%	0.22%	0.17%	0.14%	0.10%	0.05%	0.13%
Audit fees	100,260	0.73%	0.31%	0.21%	0.16%	0.13%	0.10%	0.08%	0.06%	0.04%	0.02%	0.06%
Investment expenses	59,574	5.56%	0.41%	0.33%	0.35%	0.47%	0.31%	0.34%	0.33%	0.48%	0.23%	0.34%
Management & administration expenses	180,507	3.51%	1.41%	1.04%	0.86%	0.72%	0.63%	0.52%	0.42%	0.34%	0.22%	0.41%
Other expenses	49,389	2.50%	1.26%	0.41%	0.33%	0.22%	0.21%	0.35%	0.42%	0.17%	0.16%	0.25%
<i>Total expenses (mean)</i>		<u>14.03%</u>	<u>4.22%</u>	<u>2.65%</u>	<u>2.23%</u>	<u>1.94%</u>	<u>1.60%</u>	<u>1.63%</u>	<u>1.52%</u>	<u>1.27%</u>	<u>0.80%</u>	<u>1.33%</u>
<i>Total expenses (median)</i>		<u>3.31%</u>	<u>1.88%</u>	<u>1.53%</u>	<u>1.28%</u>	<u>1.10%</u>	<u>0.97%</u>	<u>0.85%</u>	<u>0.73%</u>	<u>0.61%</u>	<u>0.38%</u>	<u>0.51%</u>
Net income before tax		25.38%	18.12%	13.10%	13.69%	12.01%	11.43%	10.92%	10.29%	9.46%	7.57%	9.49%
Less: income tax												
Tax on contributions		4.34%	2.67%	1.74%	1.75%	1.42%	1.29%	1.18%	1.04%	0.87%	0.52%	0.90%
Tax on investment income		0.12%	0.26%	0.40%	0.46%	0.53%	0.57%	0.59%	0.63%	0.67%	0.75%	0.66%
Less: franking credits	120,865	-0.45%	-0.44%	-0.47%	-0.47%	-0.47%	-0.46%	-0.43%	-0.44%	-0.44%	-0.42%	-0.44%
<i>Net income tax expense</i>		<u>4.01%</u>	<u>2.48%</u>	<u>1.67%</u>	<u>1.74%</u>	<u>1.48%</u>	<u>1.40%</u>	<u>1.34%</u>	<u>1.23%</u>	<u>1.10%</u>	<u>0.84%</u>	<u>1.12%</u>
Net income after tax		<u>21.38%</u>	<u>15.64%</u>	<u>11.43%</u>	<u>11.94%</u>	<u>10.53%</u>	<u>10.03%</u>	<u>9.58%</u>	<u>9.06%</u>	<u>8.35%</u>	<u>6.73%</u>	<u>8.36%</u>
Net income after tax (excluding contributions)		-3.22%	0.52%	1.59%	2.00%	2.47%	2.73%	2.88%	3.17%	3.40%	3.79%	3.26%
<i>n</i>		21,306	21,306	21,307	21,306	21,306	21,307	21,306	21,306	21,307	21,306	213,063

Panel E – Breakdown of income, expenses and tax for 2008 year ranked by total assets size deciles - mean (\$) - including extreme observations

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Income											
Capital gains	896.93	1,590.94	3,177.46	4,087.71	5,864.68	8,704.86	10,378.21	14,506.96	19,499.95	53,878.45	12,840.00
Rent	48.55	125.23	430.63	752.38	1,369.55	2,146.77	3,408.46	5,057.23	8,210.56	19,059.63	4,283.03
Interest received	702.17	1,220.70	1,910.22	2,622.19	3,448.71	4,464.51	6,153.94	8,588.35	13,239.81	33,566.04	7,957.80
Foreign income	21.32	74.59	156.19	243.13	378.18	572.27	745.56	1,160.92	1,720.43	4,411.00	997.92
Dividends received	273.82	817.19	1,431.89	2,140.16	2,962.90	4,061.39	5,063.63	7,297.58	11,090.72	26,991.53	6,512.17
Concessional contributions received	6,348.76	14,783.29	16,142.96	25,318.68	27,232.76	34,015.48	43,118.83	52,430.56	66,117.17	99,775.97	39,611.61
Other income	2,958.58	-446.26	-952.73	-1,209.90	-537.09	-2,329.28	-2,019.34	1,051.49	3,317.45	-6,497.33	-701.02
<i>Total income</i>	<i>11,250.13</i>	<i>18,165.68</i>	<i>22,296.64</i>	<i>33,954.35</i>	<i>40,719.68</i>	<i>51,636.00</i>	<i>66,849.28</i>	<i>90,093.09</i>	<i>123,196.09</i>	<i>231,185.29</i>	<i>71,501.51</i>
Less: expenses											
Interest paid	56.10	83.13	135.32	145.65	211.53	249.69	634.56	423.18	368.45	699.34	307.96
Depreciation	12.55	29.80	45.34	60.98	104.01	160.65	236.01	331.85	527.04	994.76	262.20
Insurance premiums paid	249.25	390.04	503.19	557.63	576.70	600.13	668.91	759.92	784.48	928.94	608.44
Audit fees	126.20	185.98	210.30	241.39	257.76	290.25	290.64	332.63	347.53	461.54	277.79
Investment expenses	3,509.59	298.40	466.64	555.82	2,013.17	1,059.45	1,407.13	2,777.56	8,440.65	5,278.36	2,665.12
Management & administration expenses	693.04	943.02	1,175.89	1,442.76	1,737.99	2,159.71	2,246.45	2,653.97	3,264.02	5,223.10	2,205.62
Other expenses	505.66	604.03	563.32	556.89	575.83	748.66	767.65	4,475.72	1,729.67	2,949.53	1,382.02
<i>Total expenses (mean)</i>	<i>5,152.39</i>	<i>2,534.41</i>	<i>3,100.00</i>	<i>3,561.12</i>	<i>5,476.99</i>	<i>5,268.54</i>	<i>6,251.35</i>	<i>11,754.81</i>	<i>15,461.83</i>	<i>16,535.57</i>	<i>7,709.15</i>
<i>Total expenses (median)</i>	<i>592.00</i>	<i>1,167.00</i>	<i>1,683.00</i>	<i>2,073.50</i>	<i>2,466.00</i>	<i>3,026.00</i>	<i>3,508.50</i>	<i>4,370.00</i>	<i>5,453.50</i>	<i>8,237.50</i>	<i>2,592.50</i>
Net income before tax	6,097.74	15,631.27	19,196.64	30,393.23	35,242.69	46,367.47	60,597.94	78,338.28	107,734.26	214,649.71	63,792.35
Less: income tax											
Tax on contributions	952.31	2,217.49	2,421.44	3,797.80	4,084.91	5,102.32	6,467.82	7,864.58	9,917.58	14,966.40	5,941.74
Tax on investment income	107.10	316.88	731.38	1,128.53	1,721.23	2,560.11	3,472.04	5,093.33	7,890.72	21,579.07	4,699.38
Less: franking credits	-104.15	-321.91	-561.43	-843.89	-1,157.21	-1,588.24	-1,983.24	-2,878.72	-4,372.83	-10,631.93	-2,562.21
<i>Net income tax expense</i>	<i>955.26</i>	<i>2,212.47</i>	<i>2,591.40</i>	<i>4,082.43</i>	<i>4,648.93</i>	<i>6,074.18</i>	<i>7,956.62</i>	<i>10,079.20</i>	<i>13,435.47</i>	<i>25,913.54</i>	<i>8,078.91</i>
Net income after tax	<i>5,142.47</i>	<i>13,418.80</i>	<i>16,605.25</i>	<i>26,310.80</i>	<i>30,593.76</i>	<i>40,293.29</i>	<i>52,641.32</i>	<i>68,259.08</i>	<i>94,298.78</i>	<i>188,736.17</i>	<i>55,713.44</i>
Net income after tax (excluding contributions)	-253.97	853.00	2,883.73	4,789.92	7,445.92	11,380.13	15,990.31	23,693.10	38,099.19	103,926.60	22,043.57
<i>n</i>	<i>6,822</i>	<i>6,697</i>	<i>6,577</i>	<i>6,648</i>	<i>6,884</i>	<i>6,991</i>	<i>6,970</i>	<i>7,063</i>	<i>7,340</i>	<i>7,602</i>	<i>69,594</i>

Panel F - Breakdown of income, expenses and tax for 2009 year ranked by total assets size deciles - mean (\$) - including extreme observations

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Income											
Capital gains	369.32	420.65	770.23	1,053.55	1,466.79	2,153.19	2,570.68	3,921.34	4,838.04	13,922.05	3,027.47
Rent	35.78	98.71	303.24	688.79	1,339.60	2,092.54	3,725.30	5,774.71	9,373.35	24,799.61	4,594.43
Interest received	527.36	1,132.27	1,786.60	2,677.65	3,379.60	4,675.79	6,116.36	8,577.97	13,344.18	32,838.35	7,210.72
Foreign income	18.29	85.95	218.40	358.56	543.69	743.92	989.82	1,348.02	2,160.63	4,987.31	1,098.73
Dividends received	316.76	938.99	1,686.82	2,401.47	3,494.39	4,461.29	5,796.35	7,887.39	11,939.02	28,433.85	6,476.79
Concessional contributions received	6,298.58	13,467.42	15,189.98	23,560.90	26,521.44	32,737.96	40,734.48	51,022.96	67,035.66	98,020.11	36,508.48
Other income	3.80	885.92	392.77	639.47	966.69	1,204.40	2,127.97	4,641.28	5,470.54	17,400.88	3,225.03
<i>Total income</i>	<i>7,569.89</i>	<i>17,029.91</i>	<i>20,348.03</i>	<i>31,380.39</i>	<i>37,712.20</i>	<i>48,069.09</i>	<i>62,060.95</i>	<i>83,173.66</i>	<i>114,161.42</i>	<i>220,402.16</i>	<i>62,141.65</i>
Less: expenses											
Interest paid	48.12	131.19	167.07	259.24	255.97	352.83	430.40	452.81	596.99	2,048.84	458.23
Depreciation	34.32	34.43	47.33	65.63	94.15	165.01	244.65	400.87	575.62	1,511.35	303.67
Insurance premiums paid	315.82	479.18	610.54	647.58	677.99	693.90	771.36	951.57	953.82	1,143.62	716.68
Audit fees	168.11	227.60	271.26	305.37	324.09	348.69	374.41	405.93	451.87	568.92	340.77
Investment expenses	188.32	343.32	367.20	639.76	765.30	1,016.00	1,855.93	1,809.04	2,774.64	5,574.05	1,884.19
Management & administration expenses	799.87	1,053.46	1,336.63	1,584.41	1,803.24	2,104.32	2,422.75	2,697.09	3,421.01	5,148.33	2,193.53
Other expenses	820.63	1,106.31	580.84	734.95	654.62	663.71	919.22	2,906.66	1,933.45	5,999.68	1,588.67
<i>Total expenses (mean)</i>	<i>2,375.18</i>	<i>3,375.50</i>	<i>3,380.86</i>	<i>4,236.94</i>	<i>4,575.35</i>	<i>5,344.45</i>	<i>7,018.72</i>	<i>9,623.95</i>	<i>10,707.40</i>	<i>21,994.79</i>	<i>7,485.74</i>
<i>Total expenses (median)</i>	<i>776.00</i>	<i>1,394.00</i>	<i>1,962.00</i>	<i>2,312.00</i>	<i>2,859.00</i>	<i>3,360.00</i>	<i>4,050.00</i>	<i>4,749.00</i>	<i>5,991.00</i>	<i>9,598.00</i>	<i>2,834.00</i>
Net income before tax	5,194.71	13,654.42	16,967.17	27,143.45	33,136.85	42,724.64	55,042.24	73,549.70	103,454.02	198,407.37	54,655.91
Less: income tax											
Tax on contributions	944.79	2,020.11	2,278.50	3,534.14	3,978.22	4,910.69	6,110.17	7,653.44	10,055.35	14,703.02	5,476.27
Tax on investment income	6.86	160.41	448.36	804.13	1,307.14	1,898.22	2,678.94	4,072.67	6,473.25	17,600.08	3,385.47
Less: franking credits	-121.02	-370.07	-662.61	-946.33	-1,370.04	-1,759.83	-2,270.87	-3,106.66	-4,691.40	-10,959.36	-2,525.52
<i>Net income tax expense</i>	<i>830.63</i>	<i>1,810.45</i>	<i>2,064.25</i>	<i>3,391.93</i>	<i>3,915.31</i>	<i>5,049.09</i>	<i>6,518.24</i>	<i>8,619.45</i>	<i>11,837.19</i>	<i>21,343.74</i>	<i>6,336.23</i>
Net income after tax	4,364.08	11,843.97	14,902.92	23,751.52	29,221.54	37,675.55	48,524.00	64,930.25	91,616.83	177,063.63	48,319.68
Net income after tax (excluding contributions)	-989.72	396.66	1,991.44	3,724.75	6,678.31	9,848.29	13,899.69	21,560.73	34,636.52	93,746.54	17,287.48
<i>n</i>	<i>7,378</i>	<i>7,622</i>	<i>7,367</i>	<i>7,375</i>	<i>7,188</i>	<i>7,067</i>	<i>7,134</i>	<i>7,045</i>	<i>6,748</i>	<i>6,683</i>	<i>71,607</i>

Panel G - Breakdown of income, expenses and tax for 2010 year ranked by total assets size deciles - mean (\$) - including extreme observations

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Income											
Capital gains	437.32	793.14	1,346.29	1,694.17	2,327.57	2,792.11	3,387.35	4,485.74	7,124.18	19,099.34	4,316.44
Rent	28.23	101.34	282.70	626.41	1,340.63	2,323.56	3,857.21	5,891.66	9,831.74	24,964.69	4,877.88
Interest received	380.17	858.31	1,345.72	1,874.20	2,380.18	3,182.64	4,380.67	5,856.71	9,439.96	21,973.77	5,130.35
Foreign income	8.88	31.49	77.84	130.30	203.34	289.45	380.84	507.76	852.75	2,453.10	489.15
Dividends received	211.23	709.32	1,364.03	1,969.02	2,793.93	3,784.40	4,726.59	6,876.32	10,201.28	24,137.99	5,637.72
Concessional contributions received	6,697.51	10,343.88	11,812.46	14,843.28	18,291.11	21,696.62	25,866.15	31,570.12	39,115.08	52,938.03	23,268.49
Other income	-91.26	419.78	-116.75	194.47	186.86	312.77	3,120.07	1,506.05	2,404.55	8,842.55	1,658.92
<i>Total income</i>	<i>7,672.07</i>	<i>13,257.25</i>	<i>16,112.28</i>	<i>21,331.84</i>	<i>27,523.62</i>	<i>34,381.56</i>	<i>45,718.88</i>	<i>56,694.35</i>	<i>78,969.53</i>	<i>154,409.48</i>	<i>45,378.95</i>
Less: expenses											
Interest paid	56.89	87.05	148.91	216.82	274.57	386.72	627.80	666.90	1,001.19	2,232.76	566.41
Depreciation	16.99	25.34	55.85	72.12	87.14	184.09	298.14	444.33	674.28	1,624.29	345.33
Insurance premiums paid	368.56	528.35	683.29	784.24	754.21	924.07	867.00	1,038.58	1,216.57	1,271.61	843.81
Audit fees	190.74	257.77	307.90	333.00	363.50	400.12	410.02	439.33	496.80	613.28	381.10
Investment expenses	146.75	245.70	400.92	680.75	844.69	1,086.04	1,496.85	1,878.57	2,799.17	5,802.95	1,529.38
Management & administration expenses	846.39	1,059.34	1,348.18	1,641.39	1,897.09	2,154.93	2,518.04	2,831.82	3,467.17	5,276.13	2,299.31
Other expenses	334.51	991.75	400.00	495.27	460.83	698.32	3,120.47	876.36	1,432.71	2,766.21	1,152.21
<i>Total expenses (mean)</i>	<i>1,960.84</i>	<i>3,195.30</i>	<i>3,345.04</i>	<i>4,223.58</i>	<i>4,682.04</i>	<i>5,834.29</i>	<i>9,338.32</i>	<i>8,175.88</i>	<i>11,087.88</i>	<i>19,587.22</i>	<i>7,117.55</i>
<i>Total expenses (median)</i>	<i>810.00</i>	<i>1,492.00</i>	<i>2,016.00</i>	<i>2,566.00</i>	<i>2,972.50</i>	<i>3,538.00</i>	<i>4,247.50</i>	<i>5,007.50</i>	<i>6,552.00</i>	<i>10,037.00</i>	<i>3,056.00</i>
Net income before tax	5,711.23	10,061.95	12,767.24	17,108.27	22,841.59	28,547.27	36,380.56	48,518.48	67,881.65	134,822.25	38,261.40
Less: income tax											
Tax on contributions	1,004.63	1,551.58	1,771.87	2,226.49	2,743.67	3,254.49	3,879.92	4,735.52	5,867.26	7,940.70	3,490.27
Tax on investment income	-29.12	91.93	327.26	567.22	993.36	1,422.71	2,066.36	3,187.91	5,305.67	14,695.69	2,835.77
Less: franking credits	-78.32	-266.88	-511.18	-743.11	-1,061.92	-1,424.38	-1,789.21	-2,606.70	-3,874.13	-9,219.58	-2,142.32
<i>Net income tax expense</i>	<i>897.19</i>	<i>1,376.64</i>	<i>1,587.94</i>	<i>2,050.61</i>	<i>2,675.11</i>	<i>3,252.83</i>	<i>4,157.07</i>	<i>5,316.73</i>	<i>7,298.81</i>	<i>13,416.82</i>	<i>4,183.72</i>
Net income after tax	4,814.04	8,685.32	11,179.30	15,057.66	20,166.48	25,294.44	32,223.49	43,201.75	60,582.84	121,405.43	34,077.67
Net income after tax (excluding contributions)	-878.84	-106.98	1,138.71	2,440.87	4,619.03	6,852.31	10,237.26	16,367.15	27,335.02	76,408.11	14,299.46
<i>n</i>	<i>7,106</i>	<i>6,987</i>	<i>7,363</i>	<i>7,283</i>	<i>7,234</i>	<i>7,249</i>	<i>7,202</i>	<i>7,198</i>	<i>7,219</i>	<i>7,021</i>	<i>71,862</i>

Panel H - Breakdown of income, expenses and tax for all years ranked by total assets size deciles - mean (\$) - including extreme observations

Decile band	1	2	3	4	5	6	7	8	9	10	Total
Income											
Capital gains	560.93	910.65	1,712.36	2,219.26	3,180.01	4,520.22	5,400.88	7,621.18	10,663.45	29,884.61	6,667.34
Rent	37.35	107.91	335.46	687.31	1,349.63	2,188.93	3,666.24	5,576.37	9,128.09	22,805.98	4,588.32
Interest received	534.24	1,070.22	1,672.41	2,385.70	3,062.60	4,098.47	5,541.94	7,662.06	11,985.44	29,517.77	6,753.07
Foreign income	16.12	64.52	150.62	244.52	374.65	532.98	704.06	1,002.12	1,565.86	3,946.58	860.20
Dividends received	267.81	825.39	1,496.58	2,172.11	3,084.84	4,099.79	5,195.04	7,350.29	11,058.03	26,503.61	6,205.34
Concessional contributions received	6,447.70	12,856.71	14,316.99	21,129.44	23,956.84	29,400.68	36,488.60	44,917.65	57,259.51	83,790.63	33,056.48
Other income	918.19	314.32	-198.64	-89.70	216.04	-258.38	1,106.58	2,392.05	3,690.08	6,053.76	1,414.43
<i>Total income</i>	<i>8,782.35</i>	<i>16,149.72</i>	<i>19,485.79</i>	<i>28,748.65</i>	<i>35,224.61</i>	<i>44,582.70</i>	<i>58,103.33</i>	<i>76,521.73</i>	<i>105,350.46</i>	<i>202,502.94</i>	<i>59,545.19</i>
Less: expenses											
Interest paid	53.60	101.61	150.99	209.29	247.93	330.52	563.91	515.32	655.21	1,627.94	445.63
Depreciation	21.57	29.99	49.66	66.40	94.95	170.07	259.90	392.67	592.31	1,364.25	304.18
Insurance premiums paid	312.10	467.28	602.54	666.23	671.14	741.44	770.17	917.43	984.51	1,109.20	724.20
Audit fees	162.24	224.42	265.10	294.85	316.04	347.01	359.04	392.91	431.15	545.22	333.80
Investment expenses	1,237.90	297.19	409.55	627.58	1,195.45	1,054.08	1,587.73	2,153.59	4,734.82	5,543.98	1,884.19
Management & administration expenses	781.18	1,020.68	1,291.00	1,559.69	1,814.02	2,139.71	2,397.29	2,728.31	3,382.57	5,217.12	2,233.16
Other expenses	557.65	910.86	512.94	597.46	563.37	703.36	1,613.72	2,740.89	1,693.59	3,845.85	1,373.96
<i>Total expenses (mean)</i>	<i>3,126.23</i>	<i>3,052.03</i>	<i>3,281.79</i>	<i>4,021.50</i>	<i>4,902.89</i>	<i>5,486.19</i>	<i>7,551.77</i>	<i>9,841.12</i>	<i>12,474.16</i>	<i>19,253.57</i>	<i>7,299.12</i>
<i>Total expenses (median)</i>	<i>738.00</i>	<i>1,360.00</i>	<i>1,896.00</i>	<i>2,311.00</i>	<i>2,768.00</i>	<i>3,326.00</i>	<i>3,952.00</i>	<i>4,716.00</i>	<i>5,980.00</i>	<i>9,209.50</i>	<i>2,829.00</i>
Net income before tax	5,656.12	13,097.69	16,204.00	24,727.15	30,321.71	39,096.50	50,551.57	66,680.60	92,876.31	183,249.38	52,246.06
Less: income tax											
Tax on contributions	967.15	1,928.51	2,147.55	3,169.42	3,593.53	4,410.10	5,473.29	6,737.65	8,588.93	12,568.59	4,958.47
Tax on investment income	26.95	187.13	493.87	824.37	1,334.39	1,953.61	2,731.32	4,112.12	6,565.97	18,062.71	3,629.24
Less: franking credits	-101.38	-321.09	-579.05	-844.90	-1,196.66	-1,589.40	-2,013.96	-2,862.19	-4,304.76	-10,269.22	-2,408.26
<i>Net income tax expense</i>	<i>892.73</i>	<i>1,794.55</i>	<i>2,062.37</i>	<i>3,148.88</i>	<i>3,731.26</i>	<i>4,774.31</i>	<i>6,190.65</i>	<i>7,987.58</i>	<i>10,850.14</i>	<i>20,362.08</i>	<i>6,179.45</i>
Net income after tax	4,763.39	11,303.14	14,141.63	21,578.27	26,590.45	34,322.19	44,360.92	58,693.03	82,026.17	162,887.30	46,066.61
Net income after tax (excluding contributions)	-717.16	374.93	1,972.19	3,618.24	6,227.14	9,331.61	13,345.61	20,513.03	33,355.58	91,665.26	17,968.61
<i>n</i>	<i>21,306</i>	<i>21,306</i>	<i>21,307</i>	<i>21,306</i>	<i>21,306</i>	<i>21,307</i>	<i>21,306</i>	<i>21,306</i>	<i>21,307</i>	<i>21,306</i>	<i>213,063</i>

Appendix I: Estimation of annual running costs for SMSFs sample in accumulation phase by state, 2008-2010
(Dependent variable is log of total expenses excluding insurance)

Appendix I.1: Estimation of annual running costs (excluding insurance) for ACT SMSFs sample in accumulation phase, 2008-2010

	<u>Panel A (2008 year n=1,020)</u>			<u>Panel B (2009 year n=1,010)</u>			<u>Panel C (2010 year n=996)</u>			<u>Panel D (All years n=3,026)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-1.987	-6.671	.000	-.908	-2.847	.005	-1.042	-3.543	.000	-1.366	-7.801	.000
<i>LASSETS</i>	.367	13.813	.000	.284	10.349	.000	.290	11.498	.000	.317	20.811	.000
<i>PARTICIPANTS</i>	.028	.712	.477	.094	2.521	.012	.015	.382	.702	.050	2.258	.024
<i>LCASH</i>	-.019	-1.905	.057	-.024	-2.308	.021	.012	1.144	.253	-.009	-1.599	.110
<i>LPROPERTY</i>	.048	7.513	.000	.051	8.118	.000	.044	6.904	.000	.047	12.875	.000
<i>LSHARES</i>	.011	1.971	.049	.007	1.276	.202	.004	.798	.425	.008	2.557	.011
<i>FOREIGN</i>	-.093	-.922	.357	.011	.104	.917	.168	1.479	.140	.004	.061	.951
<i>LCONT</i>	.003	.464	.643	.011	1.821	.069	.007	1.104	.270	.006	1.647	.100
<i>ARTWORK</i>	.138	.721	.471	.301	1.677	.094	.160	.869	.385	.219	2.054	.040
<i>BORROWING</i>	.388	1.013	.311	.214	.679	.497	.277	1.356	.175	.286	1.816	.070
<i>RESERVEACCTS</i>	.095	.554	.580	.197	.881	.378	-.135	-.837	.403	.006	.059	.953
<i>INHOUSE</i>	-.033	-.197	.844	-.023	-.125	.901	.073	.399	.690	-.009	-.084	.933
<i>DISPOSAL</i>	.578	8.751	.000	.550	9.013	.000	.451	7.779	.000	.514	14.512	.000
<i>LOSSES</i>	.727	8.940	.000	.673	8.923	.000	.581	8.443	.000	.667	15.491	.000
F-statistic		43.158	.000		35.009	.000		31.680	.000		107.049	.000
Adjusted R ²		.367			.321			.311			.329	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made.

Appendix I.2: Estimation of annual running costs (excluding insurance) for NSW SMSFs sample in accumulation phase, 2008-2010

	<u>Panel A (2008 year n=21,504)</u>			<u>Panel B (2009 year n=22,210)</u>			<u>Panel C (2010 year n=22,276)</u>			<u>Panel D (All years n=65,990)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.623	-10.456	.000	-.683	-11.665	.000	-.700	-12.718	.000	-.668	-19.988	.000
<i>LASSETS</i>	.239	44.564	.000	.256	47.861	.000	.265	52.891	.000	.253	83.505	.000
<i>PARTICIPANTS</i>	.041	4.896	.000	.025	3.185	.001	.017	2.230	.026	.029	6.239	.000
<i>LCASH</i>	.011	4.890	.000	.013	5.393	.000	.007	2.926	.003	.011	8.196	.000
<i>LPROPERTY</i>	.043	33.719	.000	.040	32.632	.000	.036	32.077	.000	.040	56.706	.000
<i>LSHARES</i>	.004	3.181	.002	.011	10.317	.000	.011	10.723	.000	.009	14.839	.000
<i>FOREIGN</i>	.129	4.894	.000	.094	3.641	.000	.057	2.424	.015	.092	6.337	.000
<i>LCONT</i>	.004	2.765	.006	.001	.635	.525	.008	6.268	.000	.004	5.221	.000
<i>ARTWORK</i>	.062	1.702	.089	.056	1.612	.107	.013	.376	.707	.044	2.171	.030
<i>BORROWING</i>	.196	3.831	.000	.248	6.009	.000	.207	7.219	.000	.229	10.520	.000
<i>RESERVEACCTS</i>	-.048	-.529	.597	-.059	-.791	.429	-.209	-3.288	.001	-.108	-2.492	.013
<i>INHOUSE</i>	.049	1.438	.150	.073	2.185	.029	.036	1.092	.275	.051	2.602	.009
<i>DISPOSAL</i>	.566	41.846	.000	.409	32.776	.000	.369	31.974	.000	.432	60.204	.000
<i>LOSSES</i>	.654	36.278	.000	.653	42.138	.000	.627	46.460	.000	.647	72.556	.000
F-statistic		683.038	.000		693.854	.000		790.466	.000		2132.077	.000
Adjusted R ²		0.308			.304			.332			.311	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made.

Appendix I.3: Estimation of annual running costs (excluding insurance) for NT SMSFs sample in accumulation phase, 2008-2010

	<u>Panel A (2008 year n=159)</u>			<u>Panel B (2009 year n=154)</u>			<u>Panel C (2010 year n=151)</u>			<u>Panel D (All years n=464)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept				-1.000	-1.025	.307	-.759	-.861	.391	.300	.634	.526
<i>LASSETS</i>				.310	3.456	.001	.240	2.917	.004	.211	4.830	.000
<i>PARTICIPANTS</i>				-.081	-.667	.506	-.018	-.185	.854	-.063	-1.038	.300
<i>LCASH</i>				-.049	-1.300	.196	.038	.982	.328	-.026	-1.393	.165
<i>LPROPERTY</i>				.051	3.285	.001	.035	2.488	.014	.047	5.978	.000
<i>LSHARES</i>				.014	.863	.389	.032	2.238	.027	.021	2.477	.014
<i>FOREIGN</i>				-.712	-1.968	.051	.225	.774	.440	-.100	-.543	.587
<i>LCONT</i>				.021	1.011	.314	.001	.072	.943	.009	.933	.351
<i>ARTWORK</i>				.555	1.156	.250	.074	.179	.858	.183	.762	.446
<i>BORROWING</i>				.918	2.566	.011	-.014	-.045	.964	.334	1.674	.095
<i>RESERVEACCTS</i>				.225	.327	.744	.217	.270	.787	-.126	-.266	.790
<i>INHOUSE</i>				.083	.172	.864	-.017	-.048	.962	.030	.166	.869
<i>DISPOSAL</i>				.778	4.422	.000	.387	2.404	.018	.509	5.421	.000
<i>LOSSES</i>				.838	3.569	.001	.591	3.223	.002	.500	4.615	.000
F-statistic					6.642	.000		5.465	.000		14.638	.000
Adjusted R ²					.340			.360			.292	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made.

Appendix I.4: Estimation of annual running costs (excluding insurance) for QLD SMSFs sample in accumulation phase, 2008-2010

	<u>Panel A (2008 year n=11,490)</u>			<u>Panel B (2009 year n=11,565)</u>			<u>Panel C (2010 year n=11,431)</u>			<u>Panel D (All years n=34,486)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.795	-9.822	.000	-.753	-9.191	.000	-.734	-9.848	.000	-.764	-16.640	.000
<i>LASSETS</i>	.259	35.518	.000	.273	36.755	.000	.273	39.968	.000	.269	64.524	.000
<i>PARTICIPANTS</i>	.062	5.104	.000	.023	1.899	.058	.014	1.246	.213	.034	5.013	.000
<i>LCASH</i>	.004	1.316	.188	.005	1.540	.124	.010	2.875	.004	.007	3.739	.000
<i>LPROPERTY</i>	.041	25.304	.000	.038	23.406	.000	.034	23.454	.000	.038	41.375	.000
<i>LSHARES</i>	.004	2.412	.016	.012	8.140	.000	.009	6.803	.000	.009	10.252	.000
<i>FOREIGN</i>	.064	2.041	.041	.041	1.284	.199	.062	2.095	.036	.055	3.050	.002
<i>LCONT</i>	-.002	-1.216	.224	-.004	-2.252	.024	.003	1.750	.080	-.002	-1.667	.096
<i>ARTWORK</i>	.087	1.564	.118	.020	.395	.693	.026	.573	.567	.047	1.612	.107
<i>BORROWING</i>	.243	3.384	.001	.353	5.756	.000	.255	5.800	.000	.294	8.981	.000
<i>RESERVEACCTS</i>	.030	.272	.786	-.064	-.580	.562	-.036	-.435	.663	-.017	-.297	.766
<i>INHOUSE</i>	.072	1.634	.102	.000	.004	.997	.061	1.403	.161	.037	1.466	.143
<i>DISPOSAL</i>	.605	33.815	.000	.413	24.206	.000	.367	23.509	.000	.451	46.392	.000
<i>LOSSES</i>	.582	24.198	.000	.614	28.678	.000	.594	32.850	.000	.602	49.769	.000
F-statistic		409.148	.000		370.756	.000		430.454	.000		1184.047	.000
Adjusted R ²		.332			.309			.346			.324	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made.

Appendix I.5: Estimation of annual running costs (excluding insurance) for SA SMSFs sample in accumulation phase, 2008-2010

	<u>Panel A (2008 year n=4,878)</u>			<u>Panel B (2009 year n=5,081)</u>			<u>Panel C (2010 year n=5,193)</u>			<u>Panel D (All years n=15,152)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.681	-4.892	.000	-.739	-5.818	.000	-.693	-5.875	.000	-.709	-9.531	.000
LASSETS	.249	20.039	.000	.274	23.926	.000	.287	27.093	.000	.270	40.486	.000
PARTICIPANTS	.049	2.643	.008	.019	1.187	.236	.004	.255	.798	.028	2.859	.004
LCASH	-.002	-.515	.606	-.003	-.630	.529	-.010	-2.229	.026	-.004	-1.537	.124
LPROPERTY	.035	13.637	.000	.032	13.644	.000	.024	10.756	.000	.030	21.757	.000
LSHARES	.019	7.302	.000	.020	8.486	.000	.009	4.374	.000	.017	12.223	.000
FOREIGN	.115	2.410	.016	.096	2.237	.025	.129	3.280	.001	.116	4.602	.000
LCONT	-.009	-3.207	.001	-.006	-2.608	.009	.004	1.888	.059	-.004	-2.980	.003
ARTWORK	.132	1.425	.154	.096	1.088	.277	-.078	-.845	.398	.056	1.064	.287
BORROWING	.070	.544	.587	.250	3.366	.001	.335	5.044	.000	.298	6.266	.000
RESERVEACCTS	-.052	-.267	.789	.023	.151	.880	.189	1.592	.112	.099	1.136	.256
INHOUSE	.131	1.581	.114	.066	.873	.383	-.088	-1.213	.225	.037	.821	.412
DISPOSAL	.573	19.054	.000	.453	17.983	.000	.363	15.859	.000	.443	29.614	.000
LOSSES	.549	13.094	.000	.610	18.077	.000	.556	18.949	.000	.581	29.148	.000
F-statistic		150.996	.000		176.396	.000		168.214	.000		476.964	.000
Adjusted R ²		.301			.326			.313			.305	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, LCONT = natural log of total concessional contributions received, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, RESERVEACCTS = 1 if reserve accounts, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made.

Appendix I.6: Estimation of annual running costs (excluding insurance) for TAS SMSFs sample in accumulation phase, 2008-2010

	<u>Panel A (2008 year n=991)</u>			<u>Panel B (2009 year n=953)</u>			<u>Panel C (2010 year n=1,011)</u>			<u>Panel D (All years n=2,955)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.927	-3.010	.003	-1.537	-4.597	.000	-.721	-2.490	.013	-1.051	-5.875	.000
LASSETS	.297	10.323	.000	.318	10.514	.000	.264	9.800	.000	.294	17.864	.000
PARTICIPANTS	-.014	-.338	.736	-.022	-.446	.656	.007	.178	.859	-.010	-.415	.678
LCASH	-.021	-1.612	.107	.013	.930	.353	.009	.665	.507	-.001	-.118	.906
LPROPERTY	.044	7.827	.000	.041	6.916	.000	.039	7.538	.000	.041	12.854	.000
LSHARES	.005	.773	.440	.018	2.978	.003	.016	3.010	.003	.013	3.946	.000
FOREIGN	.157	1.220	.223	.211	1.700	.089	.093	.892	.373	.161	2.352	.019
LCONT	-.008	-1.155	.248	-.012	-1.759	.079	-.004	-.703	.482	-.008	-2.117	.034
ARTWORK	.014	.076	.940	-.047	-.236	.814	-.054	-.375	.708	-.017	-.171	.864
BORROWING	.174	.584	.559	.096	.284	.777	.485	2.787	.005	.333	2.368	.018
RESERVEACCTS	.017	.038	.970	-.760	-1.489	.137	.338	.603	.546	-.211	-.740	.460
INHOUSE	.005	.029	.977	.019	.117	.907	.174	1.125	.261	.057	.611	.541
DISPOSAL	.587	8.351	.000	.569	8.459	.000	.399	6.814	.000	.495	13.252	.000
LOSSES	.641	6.244	.000	.802	8.397	.000	.557	7.576	.000	.660	12.961	.000
F-statistic		32.509	.000		34.244	.000		32.557	.000		97.383	.000
Adjusted R ²		.308			.328			.314			.314	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, LCONT = natural log of total concessional contributions received, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, RESERVEACCTS = 1 if reserve accounts, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made.

Appendix I.7: Estimation of annual running costs (excluding insurance) for VIC SMSFs sample in accumulation phase, 2008-2010

	<u>Panel A (2008 year n=20,504)</u>			<u>Panel B (2009 year n=21,075)</u>			<u>Panel C (2010 year n=21,225)</u>			<u>Panel D (All years n=62,804)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.851	-12.904	.000	-1.002	-15.450	.000	-1.180	-19.443	.000	-1.016	-27.510	.000
<i>LASSETS</i>	.252	41.659	.000	.274	45.516	.000	.298	52.627	.000	.275	80.434	.000
<i>PARTICIPANTS</i>	.022	2.423	.015	.025	2.773	.006	.019	2.162	.031	.024	4.681	.000
<i>LCASH</i>	.007	2.650	.008	.012	4.635	.000	.004	1.426	.154	.009	5.546	.000
<i>LPROPERTY</i>	.037	28.266	.000	.034	26.161	.000	.030	24.870	.000	.034	45.815	.000
<i>LSHARES</i>	.010	7.927	.000	.016	13.037	.000	.014	11.922	.000	.014	19.786	.000
<i>FOREIGN</i>	.117	4.726	.000	.121	4.971	.000	.082	3.608	.000	.107	7.742	.000
<i>LCONT</i>	.001	.792	.428	.000	.303	.762	.006	4.278	.000	.002	2.456	.014
<i>ARTWORK</i>	.075	1.709	.087	.061	1.491	.136	.007	.181	.856	.051	2.126	.034
<i>BORROWING</i>	.155	2.838	.005	.253	5.458	.000	.297	8.224	.000	.267	10.469	.000
<i>RESERVEACCTS</i>	.069	.788	.431	-.110	-1.348	.178	.020	.288	.773	.003	.058	.954
<i>INHOUSE</i>	.067	1.669	.095	.057	1.496	.135	.056	1.470	.142	.056	2.493	.013
<i>DISPOSAL</i>	.595	40.651	.000	.399	29.886	.000	.359	28.779	.000	.433	56.015	.000
<i>LOSSES</i>	.697	34.184	.000	.722	40.275	.000	.730	47.295	.000	.722	70.730	.000
F-statistic		634.822	.000		628.176	.000		745.439	.000		1965.118	.000
Adjusted R ²		.302			.294			.330			.305	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made.

Appendix I.8: Estimation of annual running costs (excluding insurance) for WA SMSFs sample in accumulation phase, 2008-2010

	Panel A (2008 year n=7,892)			Panel B (2009 year n=8,336)			Panel C (2010 year n=8,315)			Panel D (All years n=24,543)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.798	-7.554	.000	-.721	-7.144	.000	-.903	-10.070	.000	-.817	-14.259	.000
LASSETS	.244	24.217	.000	.263	27.964	.000	.280	32.836	.000	.263	48.541	.000
PARTICIPANTS	.027	1.821	.069	.034	2.557	.011	.017	1.404	.160	.027	3.477	.001
LCASH	.018	4.077	.000	.010	2.421	.016	.016	3.848	.000	.016	6.487	.000
LPROPERTY	.033	16.540	.000	.029	15.423	.000	.027	15.808	.000	.030	27.295	.000
LSHARES	.014	6.527	.000	.022	11.727	.000	.012	6.866	.000	.017	15.422	.000
FOREIGN	.106	2.394	.017	.037	.910	.363	.069	1.926	.054	.070	2.970	.003
LCONT	-.007	-2.856	.004	-.009	-4.381	.000	-.001	-.488	.626	-.006	-5.112	.000
ARTWORK	-.003	-.050	.960	.026	.503	.615	.023	.535	.592	.023	.777	.437
BORROWING	.277	3.425	.001	.246	4.170	.000	.295	6.602	.000	.292	8.665	.000
RESERVEACCTS	.004	.030	.976	-.361	-2.893	.004	-.163	-1.463	.144	-.173	-2.412	.016
INHOUSE	-.084	-1.328	.184	-.072	-1.199	.231	.054	1.003	.316	-.038	-1.093	.275
DISPOSAL	.601	25.164	.000	.368	18.740	.000	.352	19.661	.000	.415	35.372	.000
LOSSES	.636	21.461	.000	.554	23.676	.000	.569	28.221	.000	.590	42.660	.000
F-statistic		254.643	.000		250.722	.000		309.798	.000		788.027	.000
Adjusted R ²		.310			.296			.343			.310	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, LCONT = natural log of total concessional contributions received, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, RESERVEACCTS = 1 if reserve accounts, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made.

Appendix J: Estimation of annual running costs (including insurance) for SMSFs sample in accumulation phase by state, 2008-2010
(Dependent variable is log of total expenses including insurance)

	Panel A (2008 year n=68,438)			Panel B (2009 year n=70,384)			Panel C (2010 year n=70,598)			Panel D (All years n=209,420)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.577	-16.577	.000	-.584	-17.071	.000	-.669	-21.021	.000	-.615	-31.596	.000
<i>LASSETS</i>	.235	74.054	.000	.250	79.706	.000	.263	89.814	.000	.249	139.841	.000
<i>PARTICIPANTS</i>	.062	12.546	.000	.050	10.765	.000	.044	9.794	.000	.054	19.745	.000
<i>LCASH</i>	.006	4.289	.000	.007	5.292	.000	.004	2.973	.003	.007	8.469	.000
<i>LPROPERTY</i>	.037	52.608	.000	.034	49.111	.000	.030	46.982	.000	.033	85.498	.000
<i>LSHARES</i>	.009	13.578	.000	.016	25.259	.000	.013	21.933	.000	.014	36.714	.000
<i>FOREIGN</i>	.113	8.141	.000	.095	7.013	.000	.079	6.352	.000	.096	12.456	.000
<i>LCONT</i>	.004	5.773	.000	.003	4.205	.000	.010	15.424	.000	.005	13.224	.000
<i>ARTWORK</i>	.084	3.823	.000	.088	4.308	.000	.053	2.709	.007	.077	6.441	.000
<i>BORROWING</i>	.192	6.457	.000	.276	11.673	.000	.258	14.639	.000	.268	20.615	.000
<i>RESERVEACCTS</i>	.013	.272	.786	-.061	-1.414	.158	-.052	-1.455	.146	-.027	-1.126	.260
<i>INHOUSE</i>	.080	3.952	.000	.074	3.770	.000	.062	3.219	.001	.068	5.952	.000
<i>DISPOSAL</i>	.600	76.980	.000	.420	59.502	.000	.376	57.448	.000	.447	109.077	.000
<i>LOSSES</i>	.612	58.472	.000	.605	67.232	.000	.601	77.099	.000	.612	118.127	.000
F-statistic		2290.515	.000		2224.947	.000		2547.450	.000		6907.959	.000
Adjusted R ²		.303			.291			.319			.300	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made.

**Appendix K: Estimation for the main effects of annual running costs for Australian SMSFs sample by state/territory, 2008-2010
(Dependent variable is log of total expenses excluding insurance)**

Appendix K.1: Estimation of annual running costs (excluding insurance) for ACT SMSFs sample in accumulation phase, 2008-2010

	<u>Panel A (2008 year n=1,020)</u>			<u>Panel B (2009 year n=1,010)</u>			<u>Panel C (2010 year n=996)</u>			<u>Panel D (All years n=3,026)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-1.591	-5.284	.000	-.235	-.750	.453	-.406	-1.407	.160	-.775	-4.444	.000
<i>LASSETS</i>	.387	14.434	.000	.288	10.525	.000	.283	11.134	.000	.321	20.877	.000
<i>PARTICIPANTS</i>	.029	.707	.480	.074	1.894	.059	.034	.868	.386	.048	2.055	.040
<i>LCASH</i>	-.045	-4.470	.000	-.053	-4.913	.000	-.012	-1.132	.258	-.036	-5.912	.000
<i>LPROPERTY</i>	.041	6.071	.000	.046	6.952	.000	.040	6.072	.000	.042	10.981	.000
<i>LSHARES</i>	.024	4.462	.000	.022	4.243	.000	.011	2.215	.027	.019	6.241	.000
F-statistic		83.220	.000		58.579	.000		51.707	.000		187.688	.000
Adjusted R ²		.287			.222			.207			.236	

Appendix K.2: Estimation of annual running costs (excluding insurance) for NSW SMSFs sample in accumulation phase, 2008-2010

	<u>Panel A (2008 year n=21,504)</u>			<u>Panel B (2009 year n=22,210)</u>			<u>Panel C (2010 year n=22,276)</u>			<u>Panel D (All years n=65,990)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.202	-3.449	.001	.046	.812	.417	.090	1.676	.094	-.013	-.393	.695
<i>LASSETS</i>	.242	45.100	.000	.229	42.833	.000	.239	47.253	.000	.235	77.374	.000
<i>PARTICIPANTS</i>	.044	4.996	.000	.027	3.210	.001	.024	3.008	.003	.033	6.723	.000
<i>LCASH</i>	-.004	-1.475	.140	-.003	-1.141	.254	-.011	-4.472	.000	-.005	-3.351	.001
<i>LPROPERTY</i>	.038	28.677	.000	.038	29.431	.000	.036	30.156	.000	.038	51.073	.000
<i>LSHARES</i>	.021	18.322	.000	.022	19.960	.000	.018	18.200	.000	.020	32.617	.000
F-statistic		1186.579	.000		1205.885	.000		1332.483	.000		3688.821	.000
Adjusted R ²		.216			.213			.230			.218	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments

Appendix K.3: Estimation of annual running costs (excluding insurance) for NT SMSFs sample in accumulation phase, 2008-2010

	<u>Panel A (2008 year n=159)</u>			<u>Panel B (2009 year n=154)</u>			<u>Panel C (2010 year n=151)</u>			<u>Panel D (All years n=464)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	1.929	3.252	.001	.903	.979	.329	.521	.623	.534	1.228	2.748	.006
<i>LASSETS</i>	.117	2.111	.036	.204	2.224	.028	.152	1.870	.064	.159	3.695	.000
<i>PARTICIPANTS</i>	-.070	-.711	.478	-.046	-.350	.727	.014	.139	.890	-.040	-.633	.527
<i>LCASH</i>	-.031	-1.373	.172	-.060	-1.454	.148	.033	.868	.387	-.029	-1.575	.116
<i>LPROPERTY</i>	.049	4.203	.000	.055	3.304	.001	.041	2.944	.004	.048	5.979	.000
<i>LSHARES</i>	.038	3.538	.001	.036	2.259	.025	.047	3.813	.000	.040	5.368	.000
F-statistic		9.896	.000		8.205	.000		10.447	.000		27.179	.000
Adjusted R ²		.220			.191			.265			.220	

Appendix K.4: Estimation of annual running costs (excluding insurance) for QLD SMSFs sample in accumulation phase, 2008-2010

	<u>Panel A (2008 year n=11,490)</u>			<u>Panel B (2009 year n=11,565)</u>			<u>Panel C (2010 year n=11,431)</u>			<u>Panel D (All years n=34,486)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.363	-4.599	.000	.031	.389	.697	.030	.414	.679	-.093	-2.096	.036
<i>LASSETS</i>	.262	35.909	.000	.242	32.769	.000	.252	36.388	.000	.250	60.051	.000
<i>PARTICIPANTS</i>	.070	5.460	.000	.032	2.540	.011	.024	2.018	.044	.043	5.921	.000
<i>LCASH</i>	-.012	-3.455	.001	-.014	-3.935	.000	-.014	-3.892	.000	-.012	-5.890	.000
<i>LPROPERTY</i>	.034	20.280	.000	.036	20.936	.000	.032	20.538	.000	.034	35.623	.000
<i>LSHARES</i>	.021	14.188	.000	.023	15.612	.000	.018	13.453	.000	.021	24.980	.000
F-statistic		731.398	.000		672.291	.000		753.064	.000		2127.140	.000
Adjusted R ²		.241			.225			.248			.236	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments

Appendix K.5: Estimation of annual running costs (excluding insurance) for SA SMSFs sample in accumulation phase, 2008-2010

	<u>Panel A (2008 year n=4,878)</u>			<u>Panel B (2009 year n=5,081)</u>			<u>Panel C (2010 year n=5,193)</u>			<u>Panel D (All years n=15,152)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.368	-2.744	.006	-.205	-1.664	.096	-.047	-.420	.674	-.191	-2.673	.008
LASSETS	.254	20.911	.000	.261	22.953	.000	.268	25.733	.000	.259	39.437	.000
PARTICIPANTS	.038	1.960	.050	.005	.262	.793	.018	1.078	.281	.024	2.300	.021
LCASH	-.017	-3.361	.001	-.016	-3.352	.001	-.027	-5.768	.000	-.019	-6.711	.000
LPROPERTY	.029	10.844	.000	.029	11.566	.000	.022	9.584	.000	.027	18.418	.000
LSHARES	.038	15.271	.000	.032	13.979	.000	.018	8.829	.000	.029	22.010	.000
F-statistic		291.867	.000		312.748	.000		297.498	.000		876.073	.000
Adjusted R ²		.230			.235			.223			.224	

Appendix K.6: Estimation of annual running costs (excluding insurance) for TAS SMSFs sample in accumulation phase, 2008-2010

	<u>Panel A (2008 year n=991)</u>			<u>Panel B (2009 year n=953)</u>			<u>Panel C (2010 year n=1,011)</u>			<u>Panel D (All years n=2,955)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.655	-2.164	.031	-.859	-2.628	.009	-.103	-.374	.709	-.516	-2.962	.003
LASSETS	.300	10.451	.000	.306	10.029	.000	.257	9.567	.000	.286	17.267	.000
PARTICIPANTS	-.020	-.464	.643	-.045	-.875	.382	.002	.056	.955	-.021	-.814	.416
LCASH	-.032	-2.406	.016	-.018	-1.221	.223	-.024	-1.745	.081	-.024	-2.984	.003
LPROPERTY	.041	7.095	.000	.041	6.614	.000	.038	7.128	.000	.040	12.017	.000
LSHARES	.028	5.047	.000	.037	6.500	.000	.028	5.857	.000	.031	10.025	.000
F-statistic		63.864	.000		58.968	.000		61.028	.000		181.911	.000
Adjusted R ²		.241			.233			.233			.234	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments

Appendix K.7: Estimation of annual running costs (excluding insurance) for VIC SMSFs sample in accumulation phase, 2008-2010

	<u>Panel A (2008 year n=20,504)</u>			<u>Panel B (2009 year n=21,075)</u>			<u>Panel C (2010 year n=21,225)</u>			<u>Panel D (All years n=62,804)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.360	-5.592	.000	-.219	-3.485	.001	-.319	-5.338	.000	-.290	-8.057	.000
<i>LASSETS</i>	.248	41.005	.000	.240	40.005	.000	.267	46.411	.000	.250	72.992	.000
<i>PARTICIPANTS</i>	.032	3.281	.001	.032	3.450	.001	.024	2.575	.010	.031	5.641	.000
<i>LCASH</i>	-.007	-2.461	.014	-.002	-.535	.592	-.013	-4.729	.000	-.006	-3.920	.000
<i>LPROPERTY</i>	.032	23.231	.000	.032	23.630	.000	.030	22.965	.000	.032	40.496	.000
<i>LSHARES</i>	.030	24.277	.000	.027	22.175	.000	.021	18.728	.000	.026	37.517	.000
F-statistic		1107.527	.000		1103.576	.000		1236.468	.000		3408.752	.000
Adjusted R ²		.213			.207			.226			.213	

Appendix K.8: Estimation of annual running costs (excluding insurance) for WA SMSFs sample in accumulation phase, 2008-2010

	<u>Panel A (2008 year n=7,892)</u>			<u>Panel B (2009 year n=8,336)</u>			<u>Panel C (2010 year n=8,315)</u>			<u>Panel D (All years n=24,543)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.232	-2.238	.025	.113	1.167	.243	-.010	-.115	.909	-.035	-.620	.535
<i>LASSETS</i>	.232	22.775	.000	.227	24.100	.000	.247	28.203	.000	.234	42.623	.000
<i>PARTICIPANTS</i>	.027	1.761	.078	.028	2.060	.039	.023	1.776	.076	.027	3.297	.001
<i>LCASH</i>	.001	.282	.778	-.011	-2.500	.012	-.007	-1.608	.108	-.004	-1.606	.108
<i>LPROPERTY</i>	.029	13.504	.000	.027	13.644	.000	.025	13.653	.000	.027	23.516	.000
<i>LSHARES</i>	.037	18.169	.000	.033	18.581	.000	.022	13.193	.000	.031	28.923	.000
F-statistic		456.788	.000		456.634	.000		524.331	.000		1402.066	.000
Adjusted R ²		.224			.215			.240			.222	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments

Appendix L: Estimation of annual running costs (including insurance) for Australian SMSFs sample, 2008-2010

(Dependent variable is log of total expenses including insurance)

	<u>Panel A (2008 year n=68,438)</u>			<u>Panel B (2009 year n=70,384)</u>			<u>Panel C (2010 year n=70,598)</u>			<u>Panel D (All years n=209,420)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.188	-5.523	.000	.081	2.457	.014	.064	2.078	.038	-.003	-.164	.870
<i>LASSETS</i>	.241	76.104	.000	.229	73.262	.000	.243	82.248	.000	.236	132.255	.000
<i>PARTICIPANTS</i>	.070	13.489	.000	.056	11.342	.000	.055	11.699	.000	.061	21.487	.000
<i>LCASH</i>	-.008	-5.817	.000	-.008	-5.315	.000	-.013	-9.298	.000	-.009	-10.408	.000
<i>LPROPERTY</i>	.032	42.960	.000	.031	43.656	.000	.029	42.797	.000	.031	74.888	.000
<i>LSHARES</i>	.029	44.189	.000	.028	45.049	.000	.022	38.023	.000	.026	73.408	.000
F-statistic		3751.850	.000		3697.053	.000		4036.836	.000		11341.230	.000
Adjusted R ²		.215			.208			.222			.213	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments

**Appendix M: Estimation of annual running costs (including insurance) for Australian SMSFs sample by state/territory, 2008-2010
(Dependent variable is log of total expenses including insurance)**

Appendix M.1: Estimation of annual running costs (including insurance) for ACT SMSFs sample in accumulation phase, 2008-2010

	<u>Panel A (2008 year n=1,020)</u>			<u>Panel B (2009 year n=1,010)</u>			<u>Panel C (2010 year n=996)</u>			<u>Panel D (All years n=3,026)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-1.509	-5.013	.000	.001	.004	.997	-.254	-.863	.389	-.622	-3.536	.000
<i>LASSETS</i>	.378	14.129	.000	.268	9.714	.000	.272	10.491	.000	.308	19.864	.000
<i>PARTICIPANTS</i>	.048	1.160	.246	.092	2.339	.020	.054	1.333	.183	.066	2.827	.005
<i>LCASH</i>	-.041	-4.044	.000	-.051	-4.725	.000	-.014	-1.279	.201	-.034	-5.596	.000
<i>LPROPERTY</i>	.038	5.640	.000	.044	6.572	.000	.038	5.655	.000	.040	10.258	.000
<i>LSHARES</i>	.026	4.722	.000	.025	4.719	.000	.016	3.073	.002	.022	7.144	.000
F-statistic		81.267	.000		54.018	.000		48.128	.000		177.579	.000
Adjusted R ²		.283			.208			.196			.226	

Appendix M.2: Estimation of annual running costs (including insurance) for NSW SMSFs sample in accumulation phase, 2008-2010

	<u>Panel A (2008 year n=21,504)</u>			<u>Panel B (2009 year n=22,210)</u>			<u>Panel C (2010 year n=22,276)</u>			<u>Panel D (All years n=65,990)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.053	-.900	.368	.166	2.942	.003	.229	4.248	.000	.125	3.817	.000
<i>LASSETS</i>	.230	42.769	.000	.221	41.297	.000	.228	44.734	.000	.225	73.649	.000
<i>PARTICIPANTS</i>	.071	8.059	.000	.052	6.158	.000	.058	7.161	.000	.061	12.558	.000
<i>LCASH</i>	-.004	-1.587	.113	-.003	-1.417	.157	-.010	-4.268	.000	-.005	-3.432	.001
<i>LPROPERTY</i>	.036	27.214	.000	.036	27.712	.000	.033	27.697	.000	.035	47.847	.000
<i>LSHARES</i>	.023	20.744	.000	.024	22.678	.000	.021	20.751	.000	.023	37.038	.000
F-statistic		1139.760	.000		1178.138	.000		1259.399	.000		3542.870	.000
Adjusted R ²		.209			.209			.220			.212	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments

Appendix M.3: Estimation of annual running costs (including insurance) for NT SMSFs sample in accumulation phase, 2008-2010

	<u>Panel A (2008 year n=159)</u>			<u>Panel B (2009 year n=154)</u>			<u>Panel C (2010 year n=151)</u>			<u>Panel D (All years n=464)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	1.976	3.310	.001	.901	.966	.336	.658	.772	.441	1.297	2.872	.004
<i>LASSETS</i>	.106	1.895	.060	.194	2.096	.038	.150	1.807	.073	.150	3.449	.001
<i>PARTICIPANTS</i>	.014	.143	.887	.023	.178	.859	.024	.238	.812	.013	.202	.840
<i>LCASH</i>	-.036	-1.572	.118	-.056	-1.355	.178	.026	.653	.515	-.031	-1.665	.097
<i>LPROPERTY</i>	.047	4.049	.000	.051	3.042	.003	.037	2.606	.010	.045	5.543	.000
<i>LSHARES</i>	.042	3.848	.000	.039	2.389	.018	.050	3.950	.000	.043	5.713	.000
F-statistic		10.037	.000		7.592	.000		9.782	.000		26.036	.000
Adjusted R ²		.222			.177			.252			.213	

Appendix M.4: Estimation of annual running costs (including insurance) for QLD SMSFs sample in accumulation phase, 2008-2010

	<u>Panel A (2008 year n=11,490)</u>			<u>Panel B (2009 year n=11,565)</u>			<u>Panel C (2010 year n=11,431)</u>			<u>Panel D (All years n=34,486)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.292	-3.702	.000	.190	2.433	.015	.137	1.890	.059	.020	.447	.655
<i>LASSETS</i>	.259	35.477	.000	.232	31.545	.000	.247	35.683	.000	.244	58.633	.000
<i>PARTICIPANTS</i>	.101	7.889	.000	.066	5.224	.000	.060	5.139	.000	.077	10.638	.000
<i>LCASH</i>	-.014	-4.006	.000	-.017	-4.613	.000	-.017	-4.709	.000	-.014	-7.018	.000
<i>LPROPERTY</i>	.031	18.490	.000	.033	19.444	.000	.029	18.693	.000	.031	32.666	.000
<i>LSHARES</i>	.023	15.429	.000	.026	17.854	.000	.021	15.257	.000	.023	28.010	.000
F-statistic		718.384	.000		651.119	.000		732.017	.000		2070.031	.000
Adjusted R ²		.238			.219			.243			.231	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments

Appendix M.5: Estimation of annual running costs (including insurance) for SA SMSFs sample in accumulation phase, 2008-2010

	Panel A (2008 year n=4,878)			Panel B (2009 year n=5,081)			Panel C (2010 year n=5,193)			Panel D (All years n=15,152)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.200	-1.485	.138	.018	.145	.885	.076	.671	.502	-.019	-.267	.789
<i>LASSETS</i>	.237	19.497	.000	.243	21.322	.000	.258	24.528	.000	.244	36.967	.000
<i>PARTICIPANTS</i>	.071	3.621	.000	.033	1.871	.062	.051	2.971	.003	.055	5.265	.000
<i>LCASH</i>	-.016	-3.140	.002	-.016	-3.198	.001	-.027	-5.742	.000	-.018	-6.458	.000
<i>LPROPERTY</i>	.028	10.472	.000	.027	10.733	.000	.020	8.706	.000	.025	17.238	.000
<i>LSHARES</i>	.041	16.432	.000	.033	14.391	.000	.021	9.790	.000	.031	23.450	.000
F-statistic		285.240	.000		287.309	.000		282.720	.000		829.953	.000
Adjusted R ²		.226			.220			.214			.215	

Appendix M.6: Estimation of annual running costs (including insurance) for TAS SMSFs sample in accumulation phase, 2008-2010

	Panel A (2008 year n=991)			Panel B (2009 year n=953)			Panel C (2010 year n=1,011)			Panel D (All years n=2,955)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.485	-1.601	.110	-.695	-2.156	.031	.017	.062	.951	-.366	-2.116	.034
<i>LASSETS</i>	.284	9.892	.000	.295	9.809	.000	.251	9.423	.000	.275	16.734	.000
<i>PARTICIPANTS</i>	-.001	-.017	.986	-.004	-.086	.932	.025	.606	.545	.005	.195	.846
<i>LCASH</i>	-.029	-2.178	.030	-.020	-1.379	.168	-.026	-1.946	.052	-.024	-3.044	.002
<i>LPROPERTY</i>	.040	6.901	.000	.038	6.110	.000	.037	6.926	.000	.038	11.491	.000
<i>LSHARES</i>	.032	5.678	.000	.038	6.704	.000	.031	6.490	.000	.033	10.839	.000
F-statistic		61.871	.000		56.433	.000		61.495	.000		177.645	.000
Adjusted R ²		.235			.225			.234			.230	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments

Appendix M.7: Estimation of annual running costs (including insurance) for VIC SMSFs sample in accumulation phase, 2008-2010

	<u>Panel A (2008 year n=20,504)</u>			<u>Panel B (2009 year n=21,075)</u>			<u>Panel C (2010 year n=21,225)</u>			<u>Panel D (All years n=62,804)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.208	-3.240	.001	-.096	-1.525	.127	-.167	-2.807	.005	-.147	-4.083	.000
<i>LASSETS</i>	.235	38.914	.000	.230	38.473	.000	.255	44.388	.000	.239	69.662	.000
<i>PARTICIPANTS</i>	.057	5.897	.000	.062	6.662	.000	.056	6.098	.000	.060	11.028	.000
<i>LCASH</i>	-.005	-1.936	.053	-.000	-.100	.920	-.013	-4.559	.000	-.005	-3.205	.001
<i>LPROPERTY</i>	.030	21.700	.000	.029	21.418	.000	.027	21.059	.000	.029	37.255	.000
<i>LSHARES</i>	.034	27.125	.000	.029	24.278	.000	.024	21.260	.000	.029	41.805	.000
F-statistic		1086.484	.000		1073.185	.000		1189.071	.000		3307.852	.000
Adjusted R ²		.209			.203			.219			.208	

Appendix M.8: Estimation of annual running costs (including insurance) for WA SMSFs sample in accumulation phase, 2008-2010

	<u>Panel A (2008 year n=7,892)</u>			<u>Panel B (2009 year n=8,336)</u>			<u>Panel C (2010 year n=8,315)</u>			<u>Panel D (All years n=24,543)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.125	-1.202	.230	.290	3.012	.003	.164	1.866	.062	.120	2.145	.032
<i>LASSETS</i>	.224	21.982	.000	.212	22.594	.000	.233	26.518	.000	.221	40.340	.000
<i>PARTICIPANTS</i>	.057	3.732	.000	.052	3.809	.000	.050	3.801	.000	.054	6.599	.000
<i>LCASH</i>	-.001	-.180	.857	-.009	-2.156	.031	-.007	-1.573	.116	-.004	-1.655	.098
<i>LPROPERTY</i>	.028	13.001	.000	.025	12.859	.000	.024	13.153	.000	.026	22.471	.000
<i>LSHARES</i>	.040	19.551	.000	.037	20.558	.000	.025	15.124	.000	.034	31.919	.000
F-statistic		456.534	.000		449.146	.000		505.358	.000		1377.497	.000
Adjusted R ²		.224			.212			.233			.219	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments

Appendix N.5 – Estimated annual cost matrix for SMSFs in accumulation phase - investment option High Growth (50% property, 50% shares)

ASSETS	\$				% OF ASSETS				ASSETS	\$				% OF ASSETS				ASSETS	% OF ASSETS			
	NUMBER OF MEMBERS				NUMBER OF MEMBERS					NUMBER OF MEMBERS				NUMBER OF MEMBERS								
	1	2	3	4	1	2	3	4		1	2	3	4	1	2	3	4					
25,000	964	1,111	1,280	1,475	3.86%	4.44%	5.12%	5.90%	1,025,000	11,793	13,586	15,653	18,034	1.15%	1.33%	1.53%	1.76%					
50,000	1,539	1,773	2,042	2,353	3.08%	3.55%	4.08%	4.71%	1,050,000	11,986	13,809	15,909	18,329	1.14%	1.32%	1.52%	1.75%					
75,000	2,023	2,330	2,685	3,093	2.70%	3.11%	3.58%	4.12%	1,075,000	12,178	14,030	16,164	18,622	1.13%	1.31%	1.50%	1.73%					
100,000	2,456	2,829	3,259	3,755	2.46%	2.83%	3.26%	3.75%	1,100,000	12,368	14,249	16,416	18,913	1.12%	1.30%	1.49%	1.72%					
125,000	2,854	3,288	3,788	4,365	2.28%	2.63%	3.03%	3.49%	1,125,000	12,557	14,467	16,667	19,202	1.12%	1.29%	1.48%	1.71%					
150,000	3,228	3,718	4,284	4,936	2.15%	2.48%	2.86%	3.29%	1,150,000	12,744	14,683	16,916	19,488	1.11%	1.28%	1.47%	1.69%					
175,000	3,581	4,126	4,753	5,476	2.05%	2.36%	2.72%	3.13%	1,175,000	12,930	14,897	17,163	19,773	1.10%	1.27%	1.46%	1.68%					
200,000	3,918	4,514	5,201	5,992	1.96%	2.26%	2.60%	3.00%	1,200,000	13,115	15,110	17,408	20,056	1.09%	1.26%	1.45%	1.67%					
225,000	4,242	4,888	5,631	6,487	1.89%	2.17%	2.50%	2.88%	1,225,000	13,299	15,322	17,652	20,337	1.09%	1.25%	1.44%	1.66%					
250,000	4,555	5,247	6,045	6,965	1.82%	2.10%	2.42%	2.79%	1,250,000	13,481	15,532	17,894	20,615	1.08%	1.24%	1.43%	1.65%					
275,000	4,857	5,596	6,447	7,427	1.77%	2.03%	2.34%	2.70%	1,275,000	13,662	15,740	18,134	20,893	1.07%	1.23%	1.42%	1.64%					
300,000	5,150	5,934	6,836	7,876	1.72%	1.98%	2.28%	2.63%	1,300,000	13,843	15,948	18,373	21,168	1.06%	1.23%	1.41%	1.63%					
325,000	5,436	6,263	7,215	8,313	1.67%	1.93%	2.22%	2.56%	1,325,000	14,021	16,154	18,611	21,441	1.06%	1.22%	1.40%	1.62%					
350,000	5,715	6,584	7,585	8,739	1.63%	1.88%	2.17%	2.50%	1,350,000	14,199	16,359	18,847	21,713	1.05%	1.21%	1.40%	1.61%					
375,000	5,987	6,897	7,946	9,155	1.60%	1.84%	2.12%	2.44%	1,375,000	14,376	16,563	19,082	21,984	1.05%	1.20%	1.39%	1.60%					
400,000	6,253	7,204	8,300	9,562	1.56%	1.80%	2.07%	2.39%	1,400,000	14,552	16,765	19,315	22,252	1.04%	1.20%	1.38%	1.59%					
425,000	6,514	7,504	8,646	9,961	1.53%	1.77%	2.03%	2.34%	1,425,000	14,726	16,966	19,547	22,520	1.03%	1.19%	1.37%	1.58%					
450,000	6,770	7,799	8,986	10,352	1.50%	1.73%	2.00%	2.30%	1,450,000	14,900	17,166	19,777	22,785	1.03%	1.18%	1.36%	1.57%					
475,000	7,021	8,089	9,319	10,736	1.48%	1.70%	1.96%	2.26%	1,475,000	15,073	17,365	20,007	23,049	1.02%	1.18%	1.36%	1.56%					
500,000	7,268	8,374	9,647	11,114	1.45%	1.67%	1.93%	2.22%	1,500,000	15,245	17,563	20,235	23,312	1.02%	1.17%	1.35%	1.55%					
525,000	7,511	8,654	9,970	11,486	1.43%	1.65%	1.90%	2.19%	1,525,000	15,416	17,760	20,461	23,573	1.01%	1.16%	1.34%	1.55%					
550,000	7,751	8,929	10,287	11,852	1.41%	1.62%	1.87%	2.15%	1,550,000	15,585	17,956	20,687	23,833	1.01%	1.16%	1.33%	1.54%					
575,000	7,986	9,201	10,600	12,213	1.39%	1.60%	1.84%	2.12%	1,575,000	15,755	18,151	20,911	24,092	1.00%	1.15%	1.33%	1.53%					
600,000	8,219	9,469	10,909	12,568	1.37%	1.58%	1.82%	2.09%	1,600,000	15,923	18,344	21,134	24,349	1.00%	1.15%	1.32%	1.52%					
625,000	8,448	9,733	11,213	12,919	1.35%	1.56%	1.79%	2.07%	1,625,000	16,090	18,537	21,357	24,605	0.99%	1.14%	1.31%	1.51%					
650,000	8,675	9,994	11,514	13,265	1.33%	1.54%	1.77%	2.04%	1,650,000	16,257	18,729	21,578	24,859	0.99%	1.14%	1.31%	1.51%					
675,000	8,898	10,251	11,811	13,607	1.32%	1.52%	1.75%	2.02%	1,675,000	16,422	18,920	21,797	25,113	0.98%	1.13%	1.30%	1.50%					
700,000	9,119	10,506	12,104	13,945	1.30%	1.50%	1.73%	1.99%	1,700,000	16,587	19,110	22,016	25,365	0.98%	1.12%	1.30%	1.49%					
725,000	9,337	10,757	12,394	14,279	1.29%	1.48%	1.71%	1.97%	1,725,000	16,751	19,299	22,234	25,616	0.97%	1.12%	1.29%	1.48%					
750,000	9,553	11,006	12,680	14,609	1.27%	1.47%	1.69%	1.95%	1,750,000	16,914	19,487	22,451	25,865	0.97%	1.11%	1.28%	1.48%					
775,000	9,767	11,252	12,964	14,935	1.26%	1.45%	1.67%	1.93%	1,775,000	17,077	19,674	22,667	26,114	0.96%	1.11%	1.28%	1.47%					
800,000	9,978	11,496	13,244	15,258	1.25%	1.44%	1.66%	1.91%	1,800,000	17,239	19,861	22,881	26,361	0.96%	1.10%	1.27%	1.46%					
825,000	10,187	11,737	13,522	15,578	1.23%	1.42%	1.64%	1.89%	1,825,000	17,400	20,046	23,095	26,608	0.95%	1.10%	1.27%	1.46%					
850,000	10,394	11,975	13,797	15,895	1.22%	1.41%	1.62%	1.87%	1,850,000	17,560	20,231	23,308	26,853	0.95%	1.09%	1.26%	1.45%					
875,000	10,600	12,212	14,069	16,209	1.21%	1.40%	1.61%	1.85%	1,875,000	17,720	20,415	23,520	27,097	0.95%	1.09%	1.25%	1.45%					
900,000	10,803	12,446	14,339	16,520	1.20%	1.38%	1.59%	1.84%	1,900,000	17,879	20,598	23,731	27,340	0.94%	1.08%	1.25%	1.44%					
925,000	11,004	12,678	14,606	16,828	1.19%	1.37%	1.58%	1.82%	1,925,000	18,037	20,780	23,941	27,582	0.94%	1.08%	1.24%	1.43%					
950,000	11,204	12,908	14,871	17,133	1.18%	1.36%	1.57%	1.80%	1,950,000	18,195	20,962	24,150	27,823	0.93%	1.07%	1.24%	1.43%					
975,000	11,402	13,136	15,134	17,436	1.17%	1.35%	1.55%	1.79%	1,975,000	18,352	21,143	24,358	28,063	0.93%	1.07%	1.23%	1.42%					
1,000,000	11,598	13,362	15,394	17,736	1.16%	1.34%	1.54%	1.77%	2,000,000	18,508	21,323	24,566	28,302	0.93%	1.07%	1.23%	1.42%					

Appendix O: Descriptive statistics of self-managed superannuation funds (SMSFs) sample by state/territory, 2008-2010

Appendix O.1: Descriptive statistics of ACT self-managed superannuation funds (SMSFs) sample, 2008-2010

	Panel A (2008 year n=298)			Panel B (2009 year n=388)			Panel C (2010 year n=433)			Panel D (All years n=1,119)		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Cash and term deposits	166,925	42,231	347,876	145,164	50,510	259,482	155,986	54,987	304,003	155,147	49,176	302,056
Shares investments	241,708	57,947	509,110	172,034	46,569	338,760	215,918	64,231	450,692	207,570	55,640	433,409
Property investments	118,973	-	676,536	96,119	-	353,004	66,140	-	195,015	90,605	-	424,119
Artwork, collectables, jewels	1,788	-	13,017	1,363	-	12,861	1,127	-	11,247	1,385	-	12,297
Overseas assets	9,994	-	84,782	4,681	-	48,679	3,311	-	22,896	5,566	-	54,220
Total assets	796,015	445,173	1,180,837	603,406	343,802	725,138	661,009	393,851	823,300	676,989	392,099	905,596
Borrowings	1,750	-	29,706	1,217	-	22,405	2,875	-	34,596	2,000	-	29,516
Reserve accounts	787	-	10,347	21	-	419	257	-	3,605	317	-	5,798
Concessional contributions	54,448	31,500	60,641	41,055	16,362	53,252	28,183	18,790	30,913	39,641	19,671	49,373
Assessable income	109,522	62,198	144,648	78,821	47,137	99,695	60,128	37,109	71,946	79,764	48,013	106,698
Approved auditor fee	777	385	865	821	418	1,026	767	430	851	788	424	918
Management and admin fees	4,541	2,198	7,920	3,621	2,467	4,260	4,340	2,251	15,397	4,144	2,347	10,710
Total deductions	12,166	5,032	26,286	9,574	5,140	12,625	8,869	4,402	18,104	9,992	4,828	19,162
Taxable income	97,213	56,720	130,610	69,247	34,498	96,532	51,260	31,781	70,629	69,734	38,736	100,093
<i>LAF</i>	6.32	5.95	.73	6.34	6.04	.75	6.34	6.06	.69	6.33	6.05	.72
<i>LTOTALFEES</i>	6.38	5.95	.82	6.41	6.04	.87	6.39	6.09	.76	6.40	6.06	.81
<i>LASSETS</i>	12.96	13.01	1.11	12.76	12.75	1.09	12.82	12.88	1.17	12.84	12.88	1.13
<i>PARTICIPANTS</i>	1.98	2.00	.68	1.96	2.00	.68	1.91	2.00	.71	1.95	2.00	.69
<i>LCASH</i>	9.76	10.65	3.54	10.04	10.83	3.25	10.22	10.91	2.93	10.04	10.80	3.21
<i>LPROPERTY</i>	2.23	-	4.87	2.24	-	4.87	1.98	-	4.61	2.14	-	4.77
<i>LSHARES</i>	8.18	11.06	5.57	7.33	10.75	5.80	7.68	11.07	5.78	7.69	10.94	5.73
<i>FOREIGN</i>	.10			.08			.08			.09		
<i>LCONT</i>	8.54	10.36	4.24	7.78	9.70	4.51	7.66	9.84	4.40	7.93	9.89	4.41
<i>ARTWORK</i>	.04			.03			.02			.03		
<i>BORROWING</i>	.01			.01			.01			.01		
<i>INHOUSE</i>	.04			.02			.02			.03		
<i>DISPOSAL</i>	.73			.60			.59			.63		
<i>LOSSES</i>	.13			.18			.17			.16		
<i>OPINION</i>	.08			.04			.02			.04		
<i>BREACH</i>	.08			.09			.05			.07		
<i>LAG</i>	.42			.31			.34			.35		
<i>OTHERSERVICES</i>	.12			.10			.09			.10		

Appendix O.2: Descriptive statistics of NSW self-managed superannuation funds (SMSFs) sample, 2008-2010

	Panel A (2008 year n=8,105)			Panel B (2009 year n=10,073)			Panel C (2010 year n=11,483)			Panel D (All years n=29,661)		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Cash and term deposits	176,553	55,639	408,861	188,486	62,453	379,941	175,781	55,910	385,343	180,307	58,233	390,145
Shares investments	202,657	44,125	442,995	172,847	40,000	419,394	184,649	41,200	434,740	185,562	41,261	432,030
Property investments	91,726	-	282,712	95,164	-	306,480	106,266	-	347,705	98,522	-	317,139
Artwork, collectables, jewels	1,366	-	17,623	1,734	-	31,977	1,890	-	35,911	1,694	-	30,518
Overseas assets	11,487	-	160,220	7,573	-	104,484	7,224	-	102,344	8,507	-	121,570
Total assets	672,564	375,482	947,974	631,383	344,152	945,570	634,755	353,241	945,645	643,942	355,730	946,388
Borrowings	903	-	15,759	4,835	-	93,783	9,840	-	99,770	5,698	-	83,194
Reserve accounts	712	-	24,905	269	-	8,183	427	-	13,000	451	-	16,052
Concessional contributions	40,532	13,050	59,219	39,094	12,360	55,198	24,988	12,111	31,253	34,026	12,467	49,223
Assessable income	82,348	44,608	109,876	73,079	36,509	100,045	54,069	31,286	76,434	68,252	35,893	95,390
Approved auditor fee	876	550	995	850	572	964	807	550	779	840	559	907
Management and admin fees	2,227	1,265	3,832	2,333	1,448	3,766	2,388	1,528	4,186	2,325	1,432	3,952
Total deductions	7,103	3,599	13,580	8,488	3,812	53,112	8,001	3,832	18,109	7,921	3,756	33,698
Taxable income	75,242	37,643	106,252	64,587	29,855	94,259	46,068	24,847	71,843	60,329	29,264	90,805
<i>LAF</i>	6.48	6.31	.72	6.48	6.35	.68	6.45	6.31	.65	6.47	6.33	.68
<i>LTOTALFEES</i>	6.61	6.41	.85	6.60	6.42	.79	6.55	6.40	.76	6.59	6.41	.80
<i>LASSETS</i>	12.77	12.84	1.20	12.70	12.75	1.18	12.71	12.77	1.19	12.72	12.78	1.19
<i>PARTICIPANTS</i>	1.94	2.00	.69	1.95	2.00	.69	1.95	2.00	.68	1.95	2.00	.69
<i>LCASH</i>	10.51	10.93	2.46	10.66	11.04	2.35	10.58	10.93	2.35	10.59	10.97	2.38
<i>LPROPERTY</i>	2.61	-	5.12	2.53	-	5.08	2.61	-	5.16	2.58	-	5.12
<i>LSHARES</i>	7.64	10.72	5.70	7.55	10.61	5.62	7.49	10.66	5.71	7.55	10.65	5.68
<i>FOREIGN</i>	.06			.06			.06			.06		
<i>LCONT</i>	7.78	9.48	4.40	7.74	9.42	4.38	7.57	9.40	4.24	7.69	9.43	4.34
<i>ARTWORK</i>	.03			.03			.02			.03		
<i>BORROWING</i>	.01			.02			.03			.02		
<i>INHOUSE</i>	.03			.03			.03			.03		
<i>DISPOSAL</i>	.63			.50			.50			.53		
<i>LOSSES</i>	.12			.16			.20			.17		
<i>OPINION</i>	.05			.04			.04			.04		
<i>BREACH</i>	.10			.08			.07			.08		
<i>LAG</i>	.43			.30			.28			.33		
<i>OTHERSERVICES</i>	.20			.17			.14			.17		

Appendix O.3: Descriptive statistics of NT self-managed superannuation funds (SMSFs) sample, 2008-2010

	Panel A (2008 year n=51)			Panel B (2009 year n=58)			Panel C (2010 year n=71)			Panel D (All years n=180)		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Cash and term deposits	249,582	61,819	668,811	182,903	62,406	345,945	201,374	79,066	308,325	209,081	74,360	448,269
Shares investments	141,923	24,308	231,233	133,733	30,217	199,588	128,419	33,680	177,886	133,958	31,971	200,063
Property investments	134,612	-	251,855	110,243	-	217,935	173,860	-	356,748	142,241	-	288,717
Artwork, collectables, jewels	54	-	385	2,021	-	8,794	463	-	3,900	849	-	5,595
Overseas assets	365	-	2,317	10,999	-	76,529	10,157	-	71,641	7,654	-	62,409
Total assets	627,677	318,151	767,693	619,268	455,254	623,986	597,219	457,841	589,345	612,953	413,451	651,620
Borrowings	1,546	-	10,765	97	-	353	6,470	-	53,676	3,021	-	34,164
Reserve accounts	-	-	-	2,622	-	19,972	-	-	-	845	-	11,337
Concessional contributions	43,234	13,000	60,878	41,277	10,106	61,214	34,855	21,390	46,906	39,298	14,021	55,699
Assessable income	80,038	39,404	92,022	78,528	42,103	86,949	64,575	41,209	70,620	73,452	41,035	82,310
Approved auditor fee	991	770	1,034	1,005	880	680	1,209	990	777	1,081	880	832
Management and admin fees	2,590	1,661	3,569	3,929	1,774	8,721	3,457	1,882	3,723	3,364	1,793	5,786
Total deductions	11,277	4,374	20,764	9,443	4,937	13,576	9,630	4,742	12,796	10,036	4,836	15,613
Taxable income	68,761	31,664	91,751	69,085	32,297	84,000	54,945	31,652	66,634	63,416	31,658	79,886
<i>LAF</i>	6.65	6.65	.65	6.67	6.78	.80	6.91	6.90	.61	6.76	6.78	.69
<i>LTOTALFEES</i>	6.68	6.65	.68	6.97	6.79	.96	7.05	6.91	.82	6.92	6.78	.84
<i>LASSETS</i>	12.73	12.67	1.17	12.78	13.03	1.24	12.81	13.03	1.13	12.78	12.93	1.17
<i>PARTICIPANTS</i>	1.90	2.00	.57	1.86	2.00	.61	2.06	2.00	.73	1.95	2.00	.65
<i>LCASH</i>	10.58	11.03	2.53	10.66	11.04	2.18	11.30	11.28	1.46	10.89	11.22	2.06
<i>LPROPERTY</i>	4.20	-	6.02	4.07	-	5.91	4.02	-	6.06	4.09	-	5.97
<i>LSHARES</i>	6.53	10.10	6.04	7.61	10.31	5.56	7.36	10.42	5.73	7.20	10.37	5.75
<i>FOREIGN</i>	.04			.09			.08			.07		
<i>LCONT</i>	7.79	9.47	4.41	7.68	9.22	4.40	8.51	9.97	3.83	8.04	9.55	4.18
<i>ARTWORK</i>	.02			.05			.01			.03		
<i>BORROWING</i>	.06			.09			.06			.07		
<i>INHOUSE</i>	.12			.05			.04			.07		
<i>DISPOSAL</i>	.61			.48			.42			.49		
<i>LOSSES</i>	.22			.17			.23			.21		
<i>OPINION</i>	.06			.03			.03			.04		
<i>BREACH</i>	.24			.14			.08			.14		
<i>LAG</i>	.53			.40			.31			.40		
<i>OTHERSERVICES</i>	.12			.14			.17			.14		

Appendix O.4: Descriptive statistics of QLD self-managed superannuation funds (SMSFs) sample, 2008-2010

	Panel A (2008 year n=4,886)			Panel B (2009 year n=5,961)			Panel C (2010 year n=6,780)			Panel D (All years n=17,627)		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Cash and term deposits	163,639	53,158	341,185	158,322	53,234	315,096	161,639	55,862	313,878	161,071	54,259	322,070
Shares investments	191,161	41,015	458,728	148,569	34,088	344,980	165,657	39,278	345,823	166,947	37,983	380,573
Property investments	125,510	-	627,624	119,372	-	384,740	123,366	-	363,947	122,610	-	458,447
Artwork, collectables, jewels	1,263	-	18,146	1,119	-	20,389	1,442	-	21,607	1,283	-	20,283
Overseas assets	4,930	-	42,795	3,802	-	38,308	4,436	-	37,668	4,359	-	39,366
Total assets	681,163	389,659	1,036,209	590,816	337,104	809,385	614,657	361,388	794,533	625,029	362,936	873,613
Borrowings	1,372	-	46,097	7,062	-	119,474	8,836	-	77,242	6,167	-	87,861
Reserve accounts	532	-	13,963	616	-	19,469	1,188	-	35,452	812	-	25,801
Concessional contributions	44,732	14,590	59,430	39,278	11,225	55,975	25,125	11,166	30,728	35,346	12,000	49,712
Assessable income	88,451	48,828	110,279	72,357	35,354	97,144	54,293	31,451	70,067	69,870	36,847	92,956
Approved auditor fee	635	495	651	659	512	639	650	517	517	649	500	599
Management and admin fees	2,748	1,650	14,465	2,528	1,797	3,391	2,570	1,863	3,442	2,605	1,780	8,151
Total deductions	8,122	4,147	18,541	8,387	4,189	15,632	9,464	4,496	29,983	8,728	4,298	22,891
Taxable income	80,290	42,020	105,768	63,966	28,612	92,809	44,830	24,188	61,362	61,130	29,346	87,566
<i>LAF</i>	6.25	6.20	.59	6.30	6.24	.57	6.30	6.25	.56	6.29	6.21	.57
<i>LTOTALFEES</i>	6.43	6.24	.81	6.44	6.31	.75	6.42	6.31	.70	6.43	6.31	.75
<i>LASSETS</i>	12.79	12.87	1.19	12.63	12.73	1.24	12.72	12.80	1.17	12.71	12.80	1.20
<i>PARTICIPANTS</i>	1.96	2.00	.64	1.94	2.00	.61	1.95	2.00	.62	1.95	2.00	.62
<i>LCASH</i>	10.51	10.88	2.31	10.50	10.88	2.28	10.65	10.93	2.12	10.56	10.90	2.23
<i>LPROPERTY</i>	2.96	-	5.39	2.81	-	5.31	2.88	-	5.37	2.88	-	5.36
<i>LSHARES</i>	7.63	10.65	5.64	7.44	10.46	5.56	7.45	10.60	5.68	7.50	10.57	5.63
<i>FOREIGN</i>	.08			.07			.07			.07		
<i>LCONT</i>	7.71	9.59	4.58	7.49	9.33	4.55	7.30	9.32	4.43	7.47	9.39	4.52
<i>ARTWORK</i>	.02			.02			.02			.02		
<i>BORROWING</i>	.01			.02			.03			.02		
<i>INHOUSE</i>	.03			.03			.03			.03		
<i>DISPOSAL</i>	.66			.54			.55			.58		
<i>LOSSES</i>	.12			.18			.21			.18		
<i>OPINION</i>	.05			.05			.05			.05		
<i>BREACH</i>	.10			.08			.07			.08		
<i>LAG</i>	.44			.31			.30			.34		
<i>OTHERSERVICES</i>	.16			.13			.10			.13		

Appendix O.5: Descriptive statistics of SA self-managed superannuation funds (SMSFs) sample, 2008-2010

	Panel A (2008 year n=1,738)			Panel B (2009 year n=2,342)			Panel C (2010 year n=2,807)			Panel D (All years n=6,887)		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Cash and term deposits	147,926	49,506	284,262	160,311	57,978	338,279	145,758	54,162	334,076	151,254	53,986	323,741
Shares investments	284,454	108,939	589,167	199,143	78,564	368,292	211,112	78,181	380,877	225,550	85,578	440,437
Property investments	97,101	-	276,952	99,679	-	308,523	91,070	-	260,183	95,519	-	281,617
Artwork, collectables, jewels	888	-	11,705	599	-	7,883	868	-	13,231	782	-	11,271
Overseas assets	4,535	-	35,727	4,723	-	39,250	5,855	-	57,669	5,137	-	46,918
Total assets	712,092	423,030	942,579	610,723	380,330	775,759	607,081	369,967	838,864	634,820	386,649	847,038
Borrowings	1,060	-	23,614	5,550	-	63,898	5,982	-	61,200	4,593	-	55,310
Reserve accounts	501	-	11,198	704	-	18,418	3,167	-	134,728	1,657	-	86,863
Concessional contributions	47,682	18,000	60,210	42,066	14,097	56,207	26,200	12,000	31,996	37,017	13,789	49,907
Assessable income	91,668	56,373	103,971	77,424	44,479	113,840	54,930	34,799	68,608	71,850	42,427	96,318
Approved auditor fee	617	476	482	653	495	528	629	495	501	634	495	505
Management and admin fees	3,067	1,679	4,884	3,154	1,918	4,727	3,068	1,866	4,732	3,097	1,814	4,769
Total deductions	7,762	3,865	25,145	9,235	4,161	71,555	7,071	3,860	10,462	7,981	3,981	44,109
Taxable income	83,901	49,737	97,997	68,189	36,271	86,356	47,858	29,010	65,615	63,868	35,377	83,212
<i>LAF</i>	6.24	6.17	.58	6.29	6.20	.58	6.28	6.20	.53	6.28	6.20	.56
<i>LTOTALFEES</i>	6.36	6.21	.70	6.42	6.28	.72	6.40	6.24	.67	6.39	6.25	.70
<i>LASSETS</i>	12.91	12.96	1.09	12.77	12.85	1.11	12.75	12.82	1.10	12.80	12.87	1.10
<i>PARTICIPANTS</i>	1.92	2.00	.64	1.95	2.00	.67	1.93	2.00	.62	1.93	2.00	.64
<i>LCASH</i>	10.47	10.81	2.30	10.62	10.97	2.18	10.58	10.90	2.12	10.56	10.90	2.19
<i>LPROPERTY</i>	2.83	-	5.26	2.73	-	5.21	2.62	-	5.14	2.71	-	5.19
<i>LSHARES</i>	9.30	11.60	5.13	8.74	11.29	5.23	8.51	11.27	5.45	8.79	11.36	5.31
<i>FOREIGN</i>	.09			.09			.08			.09		
<i>LCONT</i>	7.85	9.80	4.57	7.55	9.55	4.63	7.39	9.39	4.41	7.56	9.53	4.53
<i>ARTWORK</i>	.02			.01			.01			.02		
<i>BORROWING</i>	.01			.02			.02			.02		
<i>INHOUSE</i>	.01			.02			.02			.02		
<i>DISPOSAL</i>	.70			.59			.57			.61		
<i>LOSSES</i>	.09			.14			.16			.13		
<i>OPINION</i>	.04			.04			.03			.04		
<i>BREACH</i>	.07			.06			.05			.06		
<i>LAG</i>	.41			.36			.29			.34		
<i>OTHERSERVICES</i>	.15			.12			.10			.12		

Appendix O.6: Descriptive statistics of TAS self-managed superannuation funds (SMSFs) sample, 2008-2010

	Panel A (2008 year n=396)			Panel B (2009 year n=458)			Panel C (2010 year n=599)			Panel D (All years n=1,453)		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Cash and term deposits	149,198	51,291	290,238	147,187	59,296	279,147	143,355	58,350	232,414	146,155	57,625	263,996
Shares investments	150,448	43,959	299,350	131,665	32,529	257,936	151,010	24,808	326,064	144,759	33,910	298,635
Property investments	107,953	-	251,919	95,145	-	246,599	93,170	-	234,707	97,821	-	243,168
Artwork, collectables, jewels	1,670	-	27,181	919	-	17,419	876	-	8,150	1,106	-	17,999
Overseas assets	2,766	-	15,014	12,042	-	143,280	12,973	-	154,897	9,898	-	128,153
Total assets	564,457	382,100	640,212	535,526	334,841	661,169	542,485	322,587	711,671	546,279	342,203	676,616
Borrowings	67	-	1,319	2,784	-	54,549	3,005	-	25,104	2,135	-	34,614
Reserve accounts	1,056	-	12,732	12	-	257	153	-	3,678	355	-	7,062
Concessional contributions	39,235	10,362	57,970	35,926	11,719	49,844	22,570	10,170	28,511	31,322	10,606	45,676
Assessable income	78,140	39,386	97,975	67,517	35,194	84,519	47,416	29,218	53,904	62,125	32,913	78,897
Approved auditor fee	682	550	488	709	572	516	715	558	456	704	550	484
Management and admin fees	2,035	1,361	2,795	2,029	1,499	2,408	1,978	1,409	2,289	2,010	1,420	2,471
Total deductions	6,558	3,952	8,046	6,267	3,647	9,793	5,915	3,289	7,552	6,202	3,526	8,447
Taxable income	71,283	33,897	94,333	61,249	30,858	81,226	41,501	23,419	51,310	55,842	28,181	75,767
<i>LAF</i>	6.34	6.31	.59	6.40	6.35	.54	6.41	6.32	.56	6.39	6.31	.56
<i>LTOTALFEES</i>	6.46	6.31	.77	6.51	6.42	.66	6.52	6.40	.68	6.50	6.40	.70
<i>LASSETS</i>	12.75	12.85	1.06	12.66	12.72	1.10	12.62	12.68	1.13	12.67	12.74	1.10
<i>PARTICIPANTS</i>	1.91	2.00	.68	1.86	2.00	.56	1.89	2.00	.61	1.89	2.00	.61
<i>LCASH</i>	10.54	10.85	2.31	10.64	10.99	2.07	10.64	10.97	2.06	10.61	10.96	2.14
<i>LPROPERTY</i>	3.66	-	5.68	3.30	-	5.51	3.25	-	5.48	3.38	-	5.54
<i>LSHARES</i>	7.65	10.69	5.53	7.36	10.41	5.56	7.12	10.13	5.67	7.34	10.45	5.60
<i>FOREIGN</i>	.08			.07			.07			.07		
<i>LCONT</i>	7.67	9.25	4.39	7.66	9.37	4.39	7.16	9.23	4.43	7.45	9.27	4.41
<i>ARTWORK</i>	.02			.01			.03			.02		
<i>BORROWING</i>	.01			.01			.02			.01		
<i>INHOUSE</i>	.02			.03			.03			.02		
<i>DISPOSAL</i>	.66			.55			.50			.56		
<i>LOSSES</i>	.11			.11			.17			.13		
<i>OPINION</i>	.03			.02			.04			.03		
<i>BREACH</i>	.11			.10			.08			.09		
<i>LAG</i>	.43			.33			.31			.35		
<i>OTHERSERVICES</i>	.20			.16			.16			.17		

Appendix O.7: Descriptive statistics of VIC self-managed superannuation funds (SMSFs) sample, 2008-2010

	Panel A (2008 year n=8,069)			Panel B (2009 year n=9,818)			Panel C (2010 year n=11,433)			Panel D (All years n=29,320)		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Cash and term deposits	166,987	53,861	350,899	170,803	57,722	352,990	159,242	57,092	305,964	165,245	56,431	334,860
Shares investments	234,828	84,696	531,656	194,670	65,443	411,831	200,259	68,688	399,230	207,901	71,749	443,846
Property investments	94,695	-	311,209	103,427	-	350,807	106,930	-	331,703	102,390	-	332,842
Artwork, collectables, jewels	723	-	12,159	1,120	-	20,922	1,011	-	17,799	968	-	17,630
Overseas assets	10,277	-	116,000	6,562	-	63,992	6,741	-	84,597	7,654	-	88,696
Total assets	679,501	390,484	1,259,689	613,843	349,873	877,700	609,458	350,664	815,178	630,202	360,860	977,054
Borrowings	1,053	-	23,183	2,999	-	49,936	7,468	-	97,190	4,206	-	68,362
Reserve accounts	457	-	11,709	533	-	13,768	395	-	9,863	458	-	11,795
Concessional contributions	40,133	12,903	55,076	37,270	11,300	53,557	23,939	11,133	29,465	32,860	11,596	46,752
Assessable income	83,013	45,047	120,732	72,144	36,305	151,983	52,213	30,785	64,878	67,363	35,921	116,410
Approved auditor fee	615	495	581	629	500	515	620	500	521	622	495	536
Management and admin fees	2,666	1,487	7,225	2,446	1,580	3,551	2,500	1,637	3,745	2,528	1,578	4,905
Total deductions	6,886	3,446	14,756	8,185	3,620	128,995	7,203	3,637	18,389	7,445	3,583	75,919
Taxable income	76,124	39,062	114,839	63,949	30,646	88,583	45,004	24,501	59,964	59,912	30,056	88,447
<i>LAF</i>	6.21	6.20	.60	6.26	6.21	.58	6.24	6.21	.59	6.24	6.20	.59
<i>LTOTALFEES</i>	6.31	6.21	.74	6.35	6.30	.71	6.32	6.25	.70	6.33	6.23	.71
<i>LASSETS</i>	12.81	12.88	1.14	12.70	12.77	1.17	12.71	12.77	1.17	12.73	12.80	1.16
<i>PARTICIPANTS</i>	1.91	2.00	.65	1.94	2.00	.67	1.93	2.00	.64	1.93	2.00	.65
<i>LCASH</i>	10.58	10.89	2.27	10.60	10.96	2.31	10.62	10.95	2.20	10.60	10.94	2.26
<i>LPROPERTY</i>	2.64	-	5.12	2.63	-	5.14	2.63	-	5.16	2.63	-	5.14
<i>LSHARES</i>	8.84	11.36	5.25	8.47	11.11	5.31	8.39	11.15	5.41	8.54	11.19	5.33
<i>FOREIGN</i>	.09			.08			.07			.08		
<i>LCONT</i>	7.56	9.47	4.57	7.47	9.33	4.53	7.34	9.32	4.36	7.44	9.36	4.48
<i>ARTWORK</i>	.02			.02			.02			.02		
<i>BORROWING</i>	.01			.01			.02			.02		
<i>INHOUSE</i>	.02			.02			.02			.02		
<i>DISPOSAL</i>	.70			.57			.57			.61		
<i>LOSSES</i>	.10			.13			.17			.14		
<i>OPINION</i>	.04			.04			.03			.03		
<i>BREACH</i>	.08			.06			.05			.06		
<i>LAG</i>	.41			.30			.29			.33		
<i>OTHERSERVICES</i>	.11			.09			.08			.09		

Appendix O.8: Descriptive statistics of WA self-managed superannuation funds (SMSFs) sample, 2008-2010

	Panel A (2008 year n=3,532)			Panel B (2009 year n=4,667)			Panel C (2010 year n=5,222)			Panel D (All years n=13,421)		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Cash and term deposits	173,329	54,891	329,023	165,910	59,118	342,124	165,289	56,869	323,431	167,621	57,257	331,496
Shares investments	253,514	85,588	664,963	189,768	68,109	438,133	240,679	74,427	1,830,749	226,353	74,776	1,219,742
Property investments	117,786	-	324,979	124,375	-	423,144	138,964	-	438,705	128,317	-	406,199
Artwork, collectables, jewels	1,701	-	17,902	1,961	-	23,938	3,155	-	41,463	2,357	-	30,868
Overseas assets	8,053	-	114,723	4,921	-	75,196	5,097	-	65,899	5,814	-	84,382
Total assets	691,047	397,646	968,153	601,875	352,019	883,361	671,522	370,850	2,012,240	652,441	370,897	1,447,290
Borrowings	1,676	-	38,326	3,023	-	39,668	5,575	-	53,498	3,661	-	45,273
Reserve accounts	405	-	10,960	443	-	11,485	289	-	7,488	373	-	9,964
Concessional contributions	49,540	19,500	63,469	44,326	15,476	61,655	26,640	13,861	31,299	38,817	15,654	53,490
Assessable income	93,729	53,108	119,193	77,408	39,488	112,125	57,484	33,759	95,247	73,951	40,103	108,863
Approved auditor fee	684	500	636	717	550	565	739	550	627	717	550	609
Management and admin fees	2,971	1,845	4,019	3,005	2,064	5,999	2,985	2,083	3,400	2,988	2,017	4,611
Total deductions	7,498	3,969	29,283	7,674	4,270	14,849	7,936	4,372	14,712	7,729	4,239	19,660
Taxable income	86,225	46,811	113,455	69,721	32,873	108,439	49,562	26,863	92,379	66,221	33,254	104,943
<i>LAF</i>	6.32	6.21	.60	6.39	6.31	.57	6.42	6.31	.55	6.39	6.31	.57
<i>LTOTALFEES</i>	6.56	6.31	.93	6.63	6.41	.86	6.64	6.42	.83	6.62	6.41	.87
<i>LASSETS</i>	12.85	12.89	1.14	12.70	12.77	1.12	12.75	12.82	1.15	12.76	12.82	1.14
<i>PARTICIPANTS</i>	1.94	2.00	.66	1.93	2.00	.64	1.93	2.00	.63	1.94	2.00	.64
<i>LCASH</i>	10.67	10.91	2.15	10.64	10.99	2.19	10.71	10.95	2.02	10.67	10.96	2.11
<i>LPROPERTY</i>	3.05	-	5.44	2.82	-	5.33	2.89	-	5.40	2.91	-	5.39
<i>LSHARES</i>	8.86	11.37	5.27	8.67	11.13	5.17	8.57	11.23	5.34	8.68	11.23	5.26
<i>FOREIGN</i>	.06			.06			.06			.06		
<i>LCONT</i>	8.27	9.88	4.28	8.05	9.65	4.31	7.65	9.54	4.28	7.95	9.66	4.30
<i>ARTWORK</i>	.03			.03			.03			.03		
<i>BORROWING</i>	.02			.02			.03			.02		
<i>INHOUSE</i>	.02			.02			.02			.02		
<i>DISPOSAL</i>	.68			.56			.57			.59		
<i>LOSSES</i>	.12			.19			.23			.19		
<i>OPINION</i>	.05			.04			.04			.04		
<i>BREACH</i>	.09			.06			.06			.07		
<i>LAG</i>	.46			.33			.29			.35		
<i>OTHERSERVICES</i>	.16			.16			.14			.15		

Appendix O.9: Descriptive statistics of self-managed superannuation funds (SMSFs) for NAS sample, 2008-2010

	Panel A (2008 year n=3,154)			Panel B (2009 year n=4,013)			Panel C (2010 year n=3,849)			Panel D (All years n=11,016)		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Cash and term deposits	166,826.00	56,240.00	342,653.70	171,109.30	61,555.00	323,865.80	171,240.10	61,515.00	340,274.40	169,928.60	59,912.00	335,060.30
Shares investments	210,480.60	55,610.00	452,987.70	171,795.70	49,071.00	417,660.10	196,508.20	47,875.00	466,028.50	191,506.20	50,313.50	445,418.60
Property investments	106,871.20	-	309,947.10	98,150.45	-	332,196.60	110,711.20	-	388,338.30	105,036.00	-	346,995.60
Artwork, collectables, jewels	1,922.04	-	20,852.35	2,482.26	-	37,307.19	2,089.60	-	24,725.15	2,184.67	-	29,069.41
Overseas assets	7,593.48	-	131,422.70	3,608.31	-	35,221.94	6,123.13	-	65,006.18	5,627.99	-	82,914.45
Total assets	662,897.40	385,446.50	882,103.40	567,881.40	332,924.00	793,068.30	619,300.80	352,733.00	901,703.10	613,051.50	353,211.00	858,674.90
Borrowings	636.10	-	11,291.77	4,646.64	-	81,808.83	6,565.59	-	88,638.86	4,168.86	-	72,281.17
Reserve accounts	699.11	-	22,803.40	401.08	-	11,718.92	2,322.82	-	115,183.00	1,157.87	-	69,529.66
Concessional contributions	40,729.67	12,879.00	56,049.27	38,052.33	11,475.00	54,910.72	25,241.14	11,596.00	31,086.02	34,342.64	11,948.50	48,792.37
Assessable income	83,296.16	46,116.50	105,194.30	69,003.18	35,278.00	88,685.49	54,155.18	31,253.00	74,259.79	67,907.51	36,273.50	89,961.39
Approved auditor fee	829.64	550.00	838.48	883.39	600.00	1,150.49	889.59	550.00	901.22	870.17	567.50	983.74
Management and admin fees	3,173.28	1,575.00	17,820.05	2,430.52	1,392.00	3,512.84	2,515.04	1,435.00	4,017.08	2,672.71	1,466.50	10,056.46
Total deductions	8,075.23	3,875.50	21,785.23	7,266.13	3,540.00	14,843.66	8,213.79	3,650.00	29,381.76	7,828.90	3,670.00	22,756.77
Taxable income	75,213.54	39,726.00	100,469.40	61,737.05	28,922.00	84,775.09	45,941.37	25,178.00	65,826.79	60,076.49	29,546.00	84,600.49
<i>LAF</i>	6.44	6.31	.70	6.52	6.40	.67	6.51	6.31	.70	6.49	6.34	.69
<i>LTOTALFEES</i>	7.74	7.69	.90	7.67	7.64	.85	7.68	7.67	.88	7.70	7.67	.88
<i>LASSETS</i>	12.78	12.86	1.19	12.64	12.72	1.18	12.69	12.77	1.22	12.70	12.77	1.20
<i>PARTICIPANTS</i>	1.92	2.00	.67	1.92	2.00	.68	1.93	2.00	.67	1.92	2.00	.67
<i>ROA</i>	.05	.04	.08	.03	.03	.06	.02	.02	.06	.03	.03	.06
<i>LCASH</i>	10.56	10.94	2.35	10.64	11.03	2.28	10.67	11.03	2.25	10.63	11.00	2.29
<i>LPROPERTY</i>	2.76	-	5.25	2.55	-	5.09	2.61	-	5.16	2.63	-	5.16
<i>LSHARES</i>	8.06	10.95	5.55	7.85	10.81	5.53	7.63	10.79	5.71	7.83	10.84	5.60
<i>FOREIGN</i>	.06			.05			.06			.06		
<i>LCONT</i>	7.59	9.46	4.55	7.53	9.35	4.49	7.36	9.36	4.41	7.49	9.39	4.48
<i>ARTWORK</i>	.03			.03			.03			.03		
<i>BORROWING</i>	.01			.01			.02			.02		
<i>INHOUSE</i>	.03			.02			.03			.03		
<i>DISPOSAL</i>	.64			.50			.50			.54		
<i>LOSSES</i>	.12			.16			.20			.16		
<i>OPINION</i>	.04			.05			.05			.05		
<i>BREACH</i>	.12			.09			.08			.09		
<i>LAG</i>	.40			.29			.27			.31		

Appendix P: Descriptive statistics of self-managed superannuation funds (SMSFs) sample audited by professional bodies, 2008-2010

Appendix P.1: Descriptive statistics self-managed superannuation funds (SMSFs) sample audited by the Auditor General (AG), 2008-2010

	<u>Panel A (2008 year n=35)</u>			<u>Panel B (2009 year n=65)</u>			<u>Panel C (2010 year n=0)</u>			<u>Panel D (All years n=100)</u>		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Cash and term deposits	91,132	35,233	142,868	188,163	81,260	304,238				154,202	53,718	262,699
Shares investments	136,783	80,435	184,408	240,982	36,969	512,591				204,512	47,632	428,990
Property investments	45,846	-	112,952	81,798	-	266,684				69,215	-	225,068
Artwork, collectables, jewels	1,083	-	6,408	190	-	1,143				503	-	3,890
Overseas assets	2,676	-	14,244	858	-	4,415				1,494	-	9,113
Total assets	445,407	240,134	459,157	638,724	311,316	846,183				571,063	295,189	737,480
Borrowings	2,172	-	12,730	120	-	969				838	-	7,565
Reserve accounts	-	-	-	100	-	807				65	-	651
Concessional contributions	50,322	20,485	62,873	45,232	14,432	56,021				47,013	19,514	58,244
Assessable income	75,855	57,217	83,282	79,940	44,581	88,570				78,510	50,237	86,355
Approved auditor fee	683	605	345	828	660	939				777	660	784
Management and admin fees	1,846	935	2,709	2,337	1,949	2,598				2,165	1,503	2,634
Total deductions	5,052	4,085	4,183	7,276	3,814	9,384				6,497	4,025	8,005
Taxable income	70,803	51,740	80,985	72,664	34,253	84,410				72,013	43,607	82,821
<i>LAF</i>	6.39	6.41	.55	6.49	6.49	.60				6.45	6.49	.58
<i>LTOTALFEES</i>	6.67	6.48	.88	6.71	6.62	.78				6.70	6.62	.81
<i>LASSETS</i>	12.54	12.39	1.04	12.66	12.65	1.23				12.62	12.59	1.17
<i>PARTICIPANTS</i>	1.89	2.00	.63	1.94	2.00	.73				1.92	2.00	.69
<i>LCASH</i>	10.40	10.47	1.71	10.53	11.31	2.72				10.49	10.89	2.40
<i>LPROPERTY</i>	2.12	-	4.74	2.49	-	5.05				2.36	-	4.92
<i>LSHARES</i>	8.03	11.30	5.60	7.74	10.52	5.74				7.84	10.77	5.66
<i>FOREIGN</i>	.06			.05						.05		
<i>LCONT</i>	9.30	9.93	3.23	8.15	9.58	4.30				8.55	9.88	3.98
<i>ARTWORK</i>	.03			.03						.03		
<i>BORROWING</i>	.06			.02						.03		
<i>INHOUSE</i>	.03			.08						.06		
<i>DISPOSAL</i>	.66			.48						.54		
<i>LOSSES</i>	.09			.15						.13		
<i>OPINION</i>	.06			.11						.09		
<i>BREACH</i>	.17			.20						.19		
<i>LAG</i>	.37			.51						.46		
<i>OTHERSERVICES</i>	.34			.23						.27		

Appendix P.2: Descriptive statistics self-managed superannuation funds (SMSFs) sample audited by ATMA member (ATMA), 2008-2010

	Panel A (2008 year n=406)			Panel B (2009 year n=820)			Panel C (2010 year n=1,127)			Panel D (All years n=2,353)		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Cash and term deposits	145,558	33,519	346,650	124,278	32,799	247,188	121,637	34,542	362,157	126,685	33,763	323,782
Shares investments	153,142	42,608	282,355	109,056	32,812	200,921	109,387	27,777	225,692	116,821	31,619	229,011
Property investments	59,708	-	234,077	48,869	-	170,498	46,137	-	189,515	49,431	-	191,769
Artwork, collectables, jewels	602	-	7,887	828	-	7,557	1,083	-	18,366	911	-	13,861
Overseas assets	1,532	-	14,529	1,168	-	12,076	1,437	-	13,008	1,360	-	12,968
Total assets	504,392	288,199	684,352	365,579	192,640	535,847	345,022	181,355	537,018	379,685	200,878	567,469
Borrowings	481	-	9,599	455	-	9,376	595	-	13,458	526	-	11,541
Reserve accounts	40	-	808	98	-	2,794	908	-	20,197	476	-	14,082
Concessional contributions	31,282	8,488	49,636	28,831	7,975	47,292	17,361	7,901	23,978	23,760	8,000	38,944
Assessable income	60,680	28,457	77,940	48,242	20,768	68,097	35,267	19,549	51,472	44,174	21,528	63,403
Approved auditor fee	646	569	490	511	432	471	431	250	423	496	400	459
Management and admin fees	1,664	835	2,457	1,205	552	1,781	1,253	561	2,114	1,307	570	2,076
Total deductions	4,908	2,288	9,693	3,770	1,586	6,199	3,865	1,448	9,244	4,012	1,651	8,405
Taxable income	56,138	24,766	76,148	44,472	17,316	66,365	31,402	15,978	49,688	40,225	17,782	61,655
<i>LAF</i>	6.31	6.34	.54	6.01	6.07	.63	5.81	5.52	.64	5.97	5.99	.65
<i>LTOTALFEES</i>	6.49	6.40	.76	6.09	6.09	.74	5.87	5.62	.73	6.06	5.99	.77
<i>LASSETS</i>	12.44	12.57	1.26	12.10	12.17	1.27	12.04	12.11	1.28	12.13	12.21	1.28
<i>PARTICIPANTS</i>	1.93	2.00	.64	1.98	2.00	.67	1.97	2.00	.57	1.97	2.00	.62
<i>LCASH</i>	10.18	10.42	2.44	10.12	10.40	2.42	10.07	10.45	2.35	10.10	10.43	2.39
<i>LPROPERTY</i>	1.80	-	4.39	1.64	-	4.23	1.35	-	3.90	1.53	-	4.11
<i>LSHARES</i>	7.79	10.66	5.50	7.73	10.41	5.29	7.30	10.25	5.46	7.53	10.37	5.41
<i>FOREIGN</i>	.04			.03			.02			.03		
<i>LCONT</i>	6.87	9.05	4.69	7.08	8.98	4.48	6.86	8.97	4.36	6.94	8.99	4.46
<i>ARTWORK</i>	.02			.02			.01			.02		
<i>BORROWING</i>	.01			.00			.01			.01		
<i>INHOUSE</i>	.01			.02			.01			.01		
<i>DISPOSAL</i>	.61			.55			.54			.56		
<i>LOSSES</i>	.15			.18			.21			.19		
<i>OPINION</i>	.03			.03			.02			.03		
<i>BREACH</i>	.11			.06			.04			.06		
<i>LAG</i>	.39			.27			.26			.29		
<i>OTHERSERVICES</i>	.17			.11			.07			.10		

Appendix P.3: Descriptive statistics self-managed superannuation funds (SMSFs) sample audited by CPA members (CPA), 2008-2010

	Panel A (2008 year n=12,908)			Panel B (2009 year n=15,659)			Panel C (2010 year n=18,101)			Panel D (All years n=46,668)		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Cash and term deposits	179,420	59,293	364,655	192,032	65,272	388,737	175,250	60,111	341,133	182,088	61,585	364,415
Shares investments	244,640	70,472	516,309	199,731	60,528	450,099	219,115	66,423	1,039,581	219,675	65,243	746,354
Property investments	108,431	-	350,695	114,677	-	390,472	119,821	-	371,750	114,906	-	372,557
Artwork, collectables, jewels	1,403	-	17,323	1,415	-	23,515	1,689	-	26,679	1,517	-	23,308
Overseas assets	11,113	-	136,820	7,733	-	90,702	8,042	-	104,328	8,793	-	110,324
Total assets	746,699	425,276	1,115,548	681,229	385,488	952,811	689,732	393,539	1,337,769	702,738	399,575	1,157,634
Borrowings	1,484	-	35,041	6,332	-	107,763	8,358	-	83,005	5,757	-	83,164
Reserve accounts	647	-	18,816	581	-	15,931	549	-	12,306	587	-	15,573
Concessional contributions	46,104	16,730	61,467	42,572	14,116	57,489	26,622	13,606	31,965	37,448	14,461	51,352
Assessable income	93,270	52,903	120,887	80,068	41,857	102,502	58,142	35,449	80,505	75,351	41,764	101,586
Approved auditor fee	786	550	825	796	550	833	777	550	719	786	550	789
Management and admin fees	2,908	1,666	10,677	2,801	1,834	4,882	2,767	1,877	4,040	2,817	1,800	6,789
Total deductions	8,050	4,199	16,809	8,715	4,382	30,675	8,641	4,458	21,278	8,501	4,367	23,884
Taxable income	85,199	46,132	115,547	71,339	34,719	95,853	49,499	28,172	75,660	66,838	34,421	96,112
<i>LAF</i>	6.42	6.31	.65	6.45	6.31	.63	6.44	6.31	.62	6.43	6.31	.63
<i>LTOTALFEES</i>	6.60	6.39	.87	6.61	6.41	.82	6.58	6.40	.79	6.60	6.40	.82
<i>LASSETS</i>	12.90	12.96	1.15	12.80	12.86	1.16	12.82	12.88	1.16	12.84	12.90	1.16
<i>PARTICIPANTS</i>	1.93	2.00	.67	1.94	2.00	.67	1.94	2.00	.65	1.94	2.00	.66
<i>LCASH</i>	10.63	10.99	2.32	10.71	11.09	2.26	10.69	11.00	2.21	10.68	11.03	2.26
<i>LPROPERTY</i>	2.76	-	5.25	2.70	-	5.23	2.77	-	5.29	2.74	-	5.26
<i>LSHARES</i>	8.45	11.18	5.48	8.23	11.03	5.44	8.17	11.11	5.56	8.27	11.10	5.50
<i>FOREIGN</i>	.08			.08			.07			.07		
<i>LCONT</i>	7.93	9.72	4.46	7.83	9.56	4.44	7.59	9.52	4.31	7.76	9.58	4.40
<i>ARTWORK</i>	.02			.02			.02			.02		
<i>BORROWING</i>	.01			.02			.03			.02		
<i>INHOUSE</i>	.03			.03			.02			.03		
<i>DISPOSAL</i>	.69			.56			.56			.60		
<i>LOSSES</i>	.11			.15			.19			.15		
<i>OPINION</i>	.04			.04			.04			.04		
<i>BREACH</i>	.09			.07			.06			.07		
<i>LAG</i>	.45			.32			.30			.35		
<i>OTHERSERVICES</i>	.18			.16			.13			.16		

Appendix P.4: Descriptive statistics self-managed superannuation funds (SMSFs) sample audited by ICAA members (ICAA), 2008-2010

	Panel A (2008 year n=8,002)			Panel B (2009 year n=10,082)			Panel C (2010 year n=11,208)			Panel D (All years n=29,292)		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Cash and term deposits	157,470	51,293	323,289	156,223	56,299	317,933	155,586	55,198	321,434	156,320	54,463	320,733
Shares investments	196,763	58,890	503,753	160,542	50,970	353,251	178,848	54,035	464,144	177,441	53,739	441,465
Property investments	104,524	-	493,175	108,065	-	336,932	113,617	-	340,791	109,222	-	387,244
Artwork, collectables, jewels	1,032	-	15,870	1,357	-	27,830	1,334	-	20,575	1,259	-	22,301
Overseas assets	7,582	-	122,094	4,766	-	66,127	4,357	-	49,300	5,379	-	80,676
Total assets	607,270	350,361	962,225	557,787	325,340	812,673	579,978	336,089	840,190	579,796	336,299	866,414
Borrowings	874	-	26,472	2,998	-	50,209	8,379	-	93,381	4,477	-	66,374
Reserve accounts	534	-	14,258	321	-	9,711	1,246	-	72,140	733	-	45,599
Concessional contributions	40,232	12,595	56,147	37,522	11,130	55,850	24,003	10,955	29,780	33,090	11,431	48,232
Assessable income	79,058	42,049	107,899	69,626	34,247	156,065	51,514	29,889	69,962	65,272	33,931	116,475
Approved auditor fee	622	484	619	650	500	591	644	512	503	640	500	567
Management and admin fees	2,183	1,392	3,353	2,287	1,560	3,108	2,321	1,642	3,417	2,272	1,539	3,296
Total deductions	6,565	3,242	22,017	8,472	3,517	133,098	7,381	3,635	17,925	7,534	3,488	79,705
Taxable income	72,480	36,095	103,405	61,145	28,228	99,473	44,133	23,779	65,821	57,732	28,062	90,100
<i>LAF</i>	6.21	6.18	.61	6.29	6.21	.57	6.30	6.24	.54	6.27	6.21	.57
<i>LTOTALFEES</i>	6.31	6.20	.74	6.39	6.29	.70	6.38	6.29	.65	6.37	6.25	.69
<i>LASSETS</i>	12.70	12.77	1.16	12.63	12.69	1.15	12.67	12.73	1.14	12.66	12.73	1.15
<i>PARTICIPANTS</i>	1.95	2.00	.66	1.95	2.00	.65	1.95	2.00	.64	1.95	2.00	.65
<i>LCASH</i>	10.51	10.85	2.29	10.55	10.94	2.28	10.59	10.92	2.16	10.55	10.91	2.24
<i>LPROPERTY</i>	2.94	-	5.33	2.83	-	5.29	2.84	-	5.31	2.87	-	5.31
<i>LSHARES</i>	8.10	11.00	5.49	7.93	10.85	5.44	7.87	10.91	5.56	7.95	10.90	5.50
<i>FOREIGN</i>	.06			.06			.06			.06		
<i>LCONT</i>	7.67	9.44	4.47	7.51	9.32	4.49	7.38	9.30	4.32	7.51	9.34	4.42
<i>ARTWORK</i>	.02			.02			.02			.02		
<i>BORROWING</i>	.01			.02			.03			.02		
<i>INHOUSE</i>	.02			.02			.02			.02		
<i>DISPOSAL</i>	.64			.52			.53			.56		
<i>LOSSES</i>	.11			.15			.20			.16		
<i>OPINION</i>	.05			.04			.04			.04		
<i>BREACH</i>	.09			.07			.05			.07		
<i>LAG</i>	.42			.30			.28			.33		
<i>OTHERSERVICES</i>	.12			.11			.09			.11		

Appendix P.5: Descriptive statistics self-managed superannuation funds (SMSFs) sample audited by IPA members (IPA), 2008-2010

	Panel A (2008 year n=2,412)			Panel B (2009 year n=3,069)			Panel C (2010 year n=3,716)			Panel D (All years n=9,197)		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Cash and term deposits	136,939	44,405	278,950	132,955	44,659	256,308	138,571	45,743	305,080	136,269	45,024	282,708
Shares investments	207,049	57,054	630,565	145,365	34,205	337,783	166,290	39,018	355,573	169,997	41,108	440,404
Property investments	77,509	-	266,467	78,148	-	241,568	92,225	-	292,381	83,668	-	269,572
Artwork, collectables, jewels	615	-	7,745	1,837	-	27,712	1,242	-	13,582	1,276	-	18,619
Overseas assets	5,221	-	40,965	4,332	-	40,880	6,341	-	74,039	5,377	-	56,681
Total assets	597,260	346,018	1,282,888	493,702	293,833	713,742	538,285	309,242	749,105	538,875	314,462	910,892
Borrowings	465	-	8,849	2,939	-	33,050	6,451	-	54,080	3,709	-	39,654
Reserve accounts	261	-	8,871	507	-	14,920	229	-	5,331	330	-	10,315
Concessional contributions	36,629	10,219	53,331	33,281	9,500	49,752	22,623	9,736	28,857	29,853	9,858	44,102
Assessable income	74,320	40,076	116,867	60,822	30,188	100,185	47,266	26,998	60,603	58,885	31,112	92,366
Approved auditor fee	608	438	789	580	440	504	588	470	497	591	440	590
Management and admin fees	2,431	1,320	4,411	2,385	1,429	3,878	2,522	1,573	3,787	2,453	1,475	3,989
Total deductions	6,853	3,076	22,168	7,631	3,438	62,041	6,937	3,449	22,155	7,147	3,359	40,142
Taxable income	67,416	34,200	110,480	53,229	24,198	75,736	40,324	21,449	53,683	51,735	25,264	79,974
<i>LAF</i>	6.14	6.08	.65	6.18	6.09	.58	6.21	6.15	.54	6.18	6.09	.58
<i>LTOTALFEES</i>	6.28	6.09	.80	6.31	6.15	.75	6.31	6.20	.67	6.30	6.14	.73
<i>LASSETS</i>	12.64	12.75	1.21	12.47	12.59	1.23	12.57	12.64	1.17	12.55	12.66	1.20
<i>PARTICIPANTS</i>	1.93	2.00	.66	1.93	2.00	.62	1.93	2.00	.64	1.93	2.00	.64
<i>LCASH</i>	10.32	10.70	2.40	10.31	10.71	2.38	10.47	10.73	2.12	10.38	10.72	2.29
<i>LPROPERTY</i>	2.29	-	4.85	2.39	-	4.93	2.46	-	5.02	2.39	-	4.95
<i>LSHARES</i>	8.08	10.97	5.54	7.50	10.48	5.53	7.50	10.58	5.66	7.65	10.64	5.59
<i>FOREIGN</i>	.08			.07			.08			.08		
<i>LCONT</i>	7.36	9.23	4.57	7.26	9.16	4.54	7.19	9.18	4.39	7.26	9.20	4.49
<i>ARTWORK</i>	.03			.03			.02			.03		
<i>BORROWING</i>	.01			.02			.03			.02		
<i>INHOUSE</i>	.02			.02			.02			.02		
<i>DISPOSAL</i>	.67			.51			.50			.55		
<i>LOSSES</i>	.13			.19			.22			.19		
<i>OPINION</i>	.05			.06			.04			.05		
<i>BREACH</i>	.09			.07			.05			.07		
<i>LAG</i>	.42			.34			.30			.34		
<i>OTHERSERVICES</i>	.14			.14			.10			.13		

Appendix P.6: Descriptive statistics self-managed superannuation funds (SMSFs) sample audited by NTAA members (NTAA), 2008-2010

	Panel A (2008 year n=733)			Panel B (2009 year n=940)			Panel C (2010 year n=1,111)			Panel D (All years n=2,824)		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Cash and term deposits	141,386	48,905	255,649	126,974	51,053	222,521	144,570	55,648	269,694	137,842	52,408	251,004
Shares investments	171,302	41,948	346,198	151,206	34,754	404,908	142,344	38,793	279,310	153,220	37,822	343,690
Property investments	99,907	-	286,321	86,990	-	297,594	109,902	-	388,049	99,540	-	333,437
Artwork, collectables, jewels	1,226	-	15,392	1,010	-	9,737	4,303	-	89,703	2,365	-	57,120
Overseas assets	3,772	-	34,133	3,283	-	41,998	4,230	-	50,507	3,789	-	43,686
Total assets	600,223	383,917	761,495	516,378	300,634	840,015	532,511	331,745	688,931	545,676	329,745	762,284
Borrowings	1,999	-	38,089	1,558	-	15,843	14,055	-	189,498	6,595	-	120,979
Reserve accounts	111	-	2,578	-	-	-	89	-	1,684	65	-	1,713
Concessional contributions	36,476	11,362	51,108	30,649	8,897	45,424	20,621	9,198	26,613	28,299	9,773	41,503
Assessable income	74,535	41,382	87,210	58,821	29,320	83,775	45,515	26,159	59,051	57,887	30,202	76,953
Approved auditor fee	596	440	529	580	440	518	580	450	465	585	440	501
Management and admin fees	2,766	1,130	4,837	2,818	1,657	4,358	2,621	1,500	3,713	2,726	1,456	4,260
Total deductions	7,149	3,199	14,147	7,242	3,681	10,770	7,377	3,453	20,301	7,270	3,470	15,980
Taxable income	67,299	35,255	82,517	51,579	22,994	81,363	38,138	21,212	53,136	50,594	24,334	72,883
<i>LAF</i>	6.16	6.09	.62	6.16	6.09	.58	6.18	6.11	.57	6.17	6.09	.59
<i>LTOTALFEES</i>	6.27	6.14	.76	6.28	6.16	.72	6.28	6.20	.72	6.27	6.18	.73
<i>LASSETS</i>	12.73	12.86	1.13	12.55	12.61	1.15	12.60	12.71	1.16	12.62	12.71	1.15
<i>PARTICIPANTS</i>	1.94	2.00	.65	1.91	2.00	.64	1.90	2.00	.64	1.92	2.00	.65
<i>LCASH</i>	10.21	10.80	2.79	10.34	10.84	2.56	10.43	10.93	2.47	10.34	10.87	2.59
<i>LPROPERTY</i>	2.88	-	5.30	2.48	-	5.03	2.52	-	5.10	2.60	-	5.13
<i>LSHARES</i>	7.71	10.64	5.59	7.39	10.46	5.61	7.45	10.58	5.60	7.50	10.56	5.60
<i>FOREIGN</i>	.05			.04			.05			.04		
<i>LCONT</i>	7.53	9.34	4.47	7.26	9.09	4.48	7.16	9.13	4.34	7.30	9.19	4.43
<i>ARTWORK</i>	.03			.03			.04			.03		
<i>BORROWING</i>	.01			.02			.04			.03		
<i>INHOUSE</i>	.03			.02			.02			.02		
<i>DISPOSAL</i>	.65			.54			.50			.55		
<i>LOSSES</i>	.12			.19			.19			.17		
<i>OPINION</i>	.06			.05			.04			.05		
<i>BREACH</i>	.10			.06			.05			.07		
<i>LAG</i>	.38			.27			.24			.29		
<i>OTHERSERVICES</i>	.16			.14			.10			.13		

Appendix P.7: Descriptive statistics self-managed superannuation funds (SMSFs) sample audited by Registered Company Auditors), 2008-2010

	Panel A (2008 year n=2,539)			Panel B (2009 year n=3,130)			Panel C (2010 year n=3,565)			Panel D (All years n=9,234)		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Cash and term deposits	193,329	55,649	519,719	185,245	61,795	378,960	179,785	64,889	380,099	185,360	61,296	422,747
Shares investments	224,069	72,032	497,343	187,001	58,282	376,845	196,917	60,786	402,987	201,022	62,662	423,114
Property investments	104,204	-	304,523	106,882	-	333,744	115,286	-	372,046	109,390	-	341,602
Artwork, collectables, jewels	1,080	-	17,633	1,166	-	19,137	2,029	-	32,594	1,476	-	24,897
Overseas assets	7,951	-	64,567	6,024	-	79,365	5,573	-	63,840	6,380	-	69,676
Total assets	713,125	419,884	1,008,211	648,635	369,611	869,876	649,308	378,913	888,379	666,627	387,861	917,232
Borrowings	719	-	11,645	2,830	-	42,509	6,489	-	70,735	3,662	-	50,860
Reserve accounts	651	-	23,747	487	-	13,997	602	-	18,507	577	-	18,805
Concessional contributions	45,159	17,760	60,393	42,030	14,177	56,606	26,216	12,859	31,340	36,785	14,386	50,392
Assessable income	89,304	51,968	108,414	77,297	41,679	92,367	56,761	33,056	75,455	72,670	40,688	92,200
Approved auditor fee	740	550	771	777	600	685	755	594	682	758	578	709
Management and admin fees	2,896	1,656	4,622	2,725	1,827	3,178	2,942	1,832	4,596	2,856	1,790	4,178
Total deductions	7,452	4,031	12,626	7,907	4,164	18,414	8,352	4,198	18,296	7,954	4,139	16,973
Taxable income	81,847	45,941	104,252	69,381	35,178	87,755	48,429	26,132	69,984	64,720	33,432	87,627
<i>LAF</i>	6.37	6.31	.63	6.44	6.40	.62	6.43	6.39	.60	6.42	6.36	.61
<i>LTOTALFEES</i>	6.47	6.40	.73	6.54	6.41	.71	6.50	6.41	.71	6.51	6.41	.72
<i>LASSETS</i>	12.89	12.95	1.12	12.77	12.82	1.19	12.78	12.85	1.15	12.81	12.87	1.16
<i>PARTICIPANTS</i>	1.93	2.00	.65	1.93	2.00	.67	1.93	2.00	.64	1.93	2.00	.65
<i>LCASH</i>	10.58	10.93	2.40	10.69	11.03	2.32	10.76	11.08	2.19	10.69	11.02	2.29
<i>LPROPERTY</i>	2.84	-	5.29	2.63	-	5.18	2.75	-	5.27	2.73	-	5.25
<i>LSHARES</i>	8.30	11.19	5.51	8.14	10.99	5.46	8.10	11.04	5.53	8.17	11.06	5.50
<i>FOREIGN</i>	.09			.07			.07			.07		
<i>LCONT</i>	7.92	9.78	4.47	7.82	9.56	4.42	7.45	9.46	4.39	7.70	9.57	4.43
<i>ARTWORK</i>	.03			.02			.02			.02		
<i>BORROWING</i>	.01			.02			.02			.02		
<i>INHOUSE</i>	.03			.02			.03			.03		
<i>DISPOSAL</i>	.68			.56			.55			.59		
<i>LOSSES</i>	.12			.15			.20			.16		
<i>OPINION</i>	.04			.03			.04			.04		
<i>BREACH</i>	.10			.07			.06			.08		
<i>LAG</i>	.41			.29			.26			.31		
<i>OTHERSERVICES</i>	.12			.11			.09			.11		

Appendix Q: Audit fee estimation of industry leader premiums for SMSFs sample by state/territory, 2008-2010
(Dependent variable is log of audit fees)

Appendix Q.1: Audit fee estimation of industry leader premiums for ACT SMSFs sample, 2008-2010

	<u>Panel A (2008 year n=298)</u>			<u>Panel B (2009 year n=388)</u>			<u>Panel C (2010 year n=433)</u>			<u>Panel D (All years n=1,119)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	5.262	8.535	.000	5.074	10.586	.000	5.456	12.202	.000	5.385	18.113	.000
<i>LASSETS</i>	.087	1.786	.075	.038	.859	.391	.058	1.538	.125	.070	2.793	.005
<i>PARTICIPANTS</i>	.004	.049	.961	-.020	-.334	.739	.017	.344	.731	.006	.183	.855
<i>ROA</i>	-1.352	-1.766	.079	.686	.995	.321	1.207	1.939	.053	.170	.407	.684
<i>LCASH</i>	-.009	-.588	.557	-.006	-.411	.682	.007	.517	.606	-.004	-.505	.614
<i>LPROPERTY</i>	.009	.896	.371	.023	2.202	.028	-.002	-.194	.846	.010	1.884	.060
<i>LSHARES</i>	.013	1.537	.125	.028	3.918	.000	.012	1.865	.063	.016	3.990	.000
<i>FOREIGN</i>	-.051	-.330	.742	-.257	-1.631	.104	-.181	-1.726	.085	-.150	-1.942	.052
<i>LCONT</i>	-.016	-1.349	.179	.003	.357	.721	-.004	-.534	.594	-.004	-.828	.408
<i>ARTWORK</i>	.082	.352	.725	.169	.616	.538	.268	1.153	.249	.130	.882	.378
<i>BORROWING</i>	-.067	-.174	.862	-.606	-5.628	.000	-.346	-3.400	.001	-.358	-2.550	.011
<i>RESERVEACCTS</i>	.375	2.709	.007	-.342	-3.213	.001	.045	.161	.872	.047	.234	.815
<i>INHOUSE</i>	-.273	-1.868	.063	.432	1.629	.104	-.065	-.256	.798	-.076	-.588	.557
<i>DISPOSAL</i>	.038	.343	.732	-.093	-1.014	.311	-.185	-2.372	.018	-.120	-2.318	.021
<i>LOSSES</i>	.219	1.301	.194	.172	1.435	.152	.188	1.654	.099	.179	2.443	.015
<i>OPINION</i>	.053	.305	.761	.108	.487	.627	.771	1.954	.051	.249	1.776	.076
<i>LAG</i>	.067	.715	.475	-.073	-.909	.364	.066	.946	.345	.021	.463	.644
<i>LEADER_ALL</i>	.324	1.196	.233	.499	2.297	.022				.363	1.738	.082
F-statistic		1.025	.431		2.111	.006		2.291	.003		3.097	.000
Adjusted R ²		.001			.047			.046			.031	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix Q.2: Audit fee estimation of industry leader premiums for NSW SMSFs sample, 2008-2010

	Panel A (2008 year n=8,105)			Panel B (2009 year n=10,073)			Panel C (2010 year n=11,483)			Panel D (All years n=29,661)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.436	43.047	.000	4.517	47.995	.000	4.448	52.073	.000	4.481	83.565	.000
<i>LASSETS</i>	.144	16.616	.000	.139	16.477	.000	.145	19.294	.000	.142	30.329	.000
<i>PARTICIPANTS</i>	-.011	-.987	.324	.027	2.745	.006	.022	2.341	.019	.014	2.424	.015
<i>ROA</i>	-.138	-1.050	.294	-.490	-2.838	.005	-.665	-5.451	.000	-.418	-5.374	.000
<i>LCASH</i>	.006	1.822	.068	.000	.087	.931	.002	.531	.596	.002	1.215	.224
<i>LPROPERTY</i>	-.001	-.762	.446	.003	2.269	.024	.000	.233	.816	.001	.790	.430
<i>LSHARES</i>	.005	3.413	.001	.009	6.565	.000	.007	5.879	.000	.007	9.420	.000
<i>FOREIGN</i>	.011	.359	.719	-.018	-.642	.521	-.048	-1.892	.059	-.019	-1.195	.232
<i>LCONT</i>	.002	1.083	.279	.001	.777	.437	.000	.094	.925	.001	1.179	.238
<i>ARTWORK</i>	.100	2.099	.036	.108	2.252	.024	.048	1.022	.307	.086	3.131	.002
<i>BORROWING</i>	.090	1.182	.237	-.048	-.829	.407	-.188	-5.448	.000	-.110	-3.923	.000
<i>RESERVEACCTS</i>	-.167	-1.514	.130	.035	.463	.643	.018	.301	.763	-.023	-.520	.603
<i>INHOUSE</i>	.077	1.424	.155	.145	3.447	.001	.112	2.850	.004	.112	4.384	.000
<i>DISPOSAL</i>	.112	5.946	.000	.070	4.735	.000	.073	5.585	.000	.081	9.375	.000
<i>LOSSES</i>	.192	6.568	.000	.107	4.466	.000	.099	5.215	.000	.121	9.254	.000
<i>OPINION</i>	.041	1.014	.311	.119	3.352	.001	.060	2.061	.039	.076	3.793	.000
<i>LAG</i>	.062	4.016	.000	.073	5.061	.000	.067	5.069	.000	.068	8.265	.000
<i>LEADER_ALL</i>	-.629	-12.403	.000	-.552	-13.666	.000	-.447	-15.365	.000	-.519	-24.064	.000
F-statistic		46.471	.000		61.360	.000		70.901	.000		173.685	.000
Adjusted R ²		.087			.092			.094			.090	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix Q.3: Audit fee estimation of industry leader premiums for QLD SMSFs sample, 2008-2010

	Panel A (2008 year n=4,886)			Panel B (2009 year n=5,961)			Panel C (2010 year n=6,780)			Panel D (All years n=17,627)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.828	42.063	.000	4.613	44.398	.000	4.473	43.972	.000	4.632	75.882	.000
<i>LASSETS</i>	.103	10.103	.000	.122	14.086	.000	.142	15.416	.000	.124	23.089	.000
<i>PARTICIPANTS</i>	.018	1.306	.192	.014	1.105	.269	-.008	-.826	.409	.007	.966	.334
<i>ROA</i>	.030	.213	.831	-.367	-2.330	.020	-.436	-2.783	.005	-.326	-3.886	.000
<i>LCASH</i>	-.008	-1.996	.046	.002	.696	.487	-.005	-1.339	.181	-.003	-1.492	.136
<i>LPROPERTY</i>	.004	2.403	.016	.002	1.153	.249	.001	.499	.618	.002	2.198	.028
<i>LSHARES</i>	.005	3.318	.001	.003	2.260	.024	.004	2.764	.006	.004	4.989	.000
<i>FOREIGN</i>	.016	.454	.650	.035	1.192	.233	-.009	-.380	.704	.011	.649	.516
<i>LCONT</i>	-.001	-.367	.714	-.001	-.713	.476	-.001	-.402	.688	-.001	-1.118	.263
<i>ARTWORK</i>	-.063	-1.041	.298	.122	2.225	.026	.015	.352	.725	.034	1.117	.264
<i>BORROWING</i>	-.039	-.412	.681	-.028	-.490	.625	-.028	-.768	.443	-.016	-.552	.581
<i>RESERVEACCTS</i>	.156	1.173	.241	-.042	-.335	.738	-.011	-.175	.861	.026	.490	.624
<i>INHOUSE</i>	.190	3.315	.001	.057	1.257	.209	.074	1.477	.140	.100	3.426	.001
<i>DISPOSAL</i>	.079	3.832	.000	.071	4.353	.000	.063	4.177	.000	.065	6.691	.000
<i>LOSSES</i>	.156	4.422	.000	.133	5.087	.000	.154	7.176	.000	.148	9.967	.000
<i>OPINION</i>	.186	4.718	.000	.118	3.106	.002	.106	3.408	.001	.132	6.360	.000
<i>LAG</i>	.068	4.069	.000	.078	4.712	.000	.066	4.461	.000	.061	6.759	.000
<i>LEADER_ALL</i>	-.179	-5.670	.000	-.178	-6.672	.000	-.168	-7.356	.000	-.169	-11.090	.000
F-statistic		23.509	.000		31.587	.000		40.647	.000		90.345	.000
Adjusted R ²		.073			.080			.090			.079	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix Q.4: Audit fee estimation of industry leader premiums for SA SMSFs sample, 2008-2010

	<u>Panel A (2008 year n=1,738)</u>			<u>Panel B (2009 year n=2,342)</u>			<u>Panel C (2010 year n=2,807)</u>			<u>Panel D (All years n=6,887)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.299	23.280	.000	4.396	26.632	.000	4.590	31.816	.000	4.464	47.606	.000
<i>LASSETS</i>	.129	7.828	.000	.137	9.323	.000	.129	9.915	.000	.130	15.510	.000
<i>PARTICIPANTS</i>	.021	1.007	.314	-.002	-.144	.885	.015	.957	.339	.012	1.151	.250
<i>ROA</i>	.253	1.191	.234	-.354	-1.236	.217	-.494	-2.265	.024	-.302	-2.270	.023
<i>LCASH</i>	.009	1.388	.165	.002	.348	.728	-.007	-1.277	.202	.002	.441	.659
<i>LPROPERTY</i>	.004	1.522	.128	.006	2.503	.012	.002	.829	.407	.004	2.800	.005
<i>LSHARES</i>	.006	2.083	.037	.010	3.900	.000	.007	3.274	.001	.007	5.361	.000
<i>FOREIGN</i>	-.004	-.099	.921	-.020	-.452	.651	-.007	-.224	.823	-.011	-.468	.640
<i>LCONT</i>	.000	.152	.879	.002	.889	.374	.002	1.166	.244	.001	.975	.329
<i>ARTWORK</i>	-.032	-.294	.769	.034	.310	.756	-.060	-.654	.513	-.030	-.502	.616
<i>BORROWING</i>	.070	.574	.566	-.236	-3.140	.002	-.001	-.022	.98	-.078	-1.666	.096
<i>RESERVEACCTS</i>	-.084	-.672	.502	.046	.388	.698	.142	1.227	.220	.090	1.226	.220
<i>INHOUSE</i>	.013	.095	.924	.058	.768	.443	.020	.214	.830	.040	.711	.477
<i>DISPOSAL</i>	.094	2.785	.005	.082	3.289	.001	.044	1.990	.047	.067	4.497	.000
<i>LOSSES</i>	.239	3.912	.001	.131	2.985	.003	.139	4.125	.000	.159	6.505	.000
<i>OPINION</i>	.010	.141	.888	.135	2.419	.016	-.098	-1.597	.110	.031	.848	.397
<i>LAG</i>	.127	4.860	.000	.090	3.797	.000	.087	4.019	.000	.090	6.628	.000
<i>LEADER_ALL</i>	-.410	-15.428	.000	-.392	-15.429	.000	-.221	-10.591	.000	-.327	-23.296	.000
F-statistic		19.123	.000		25.797	.000		18.631	.000		58.661	.000
Adjusted R ²		.151			.153			.097			.125	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix Q.5: Audit fee estimation of industry leader premiums for VIC SMSFs sample, 2008-2010

	<u>Panel A (2008 year n=8,069)</u>			<u>Panel B (2009 year n=9,818)</u>			<u>Panel C (2010 year n=11,433)</u>			<u>Panel D (All years n=29,320)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.434	49.806	.000	4.211	55.837	.000	4.069	54.034	.000	4.219	92.645	.000
<i>LASSETS</i>	.122	15.375	.000	.146	21.637	.000	.164	24.526	.000	.147	36.064	.000
<i>PARTICIPANTS</i>	.019	1.885	.059	.021	2.399	.016	.001	.133	.894	.014	2.578	.010
<i>ROA</i>	-.229	-2.120	.034	-.955	-6.994	.000	-.767	-6.027	.000	-.642	-9.289	.000
<i>LCASH</i>	.000	.049	.961	.005	1.550	.121	-.001	-.172	.637	.001	.757	.449
<i>LPROPERTY</i>	.002	1.765	.078	-.001	-.956	.339	.002	1.562	.118	.001	1.220	.222
<i>LSHARES</i>	.004	2.843	.005	.005	4.277	.000	.004	4.022	.000	.005	6.698	.000
<i>FOREIGN</i>	-.050	-2.075	.038	-.005	-.234	.815	.030	1.491	.136	-.003	-.282	.778
<i>LCONT</i>	.000	.089	.929	.000	.175	.860	-.000	-.230	.818	-.000	-.151	.880
<i>ARTWORK</i>	.192	3.909	.000	.184	4.099	.000	.184	4.324	.000	.189	7.198	.000
<i>BORROWING</i>	.043	.722	.470	.033	.639	.523	-.050	-1.366	.172	-.005	-.178	.858
<i>RESERVEACCTS</i>	.415	3.625	.000	.370	4.099	.000	-.044	-.778	.436	.197	4.083	.000
<i>INHOUSE</i>	.171	3.212	.001	.166	4.291	.000	.144	3.723	.000	.158	6.373	.000
<i>DISPOSAL</i>	.135	8.293	.000	.074	5.975	.000	.060	5.090	.000	.078	10.340	.000
<i>LOSSES</i>	.209	7.640	.000	.127	5.796	.000	.156	8.841	.000	.159	13.060	.000
<i>OPINION</i>	.145	3.564	.000	.121	33.787	.000	.016	.466	.641	.096	4.733	.000
<i>LAG</i>	.041	3.090	.002	.060	4.832	.000	.072	6.009	.000	.055	7.679	.000
<i>LEADER_ALL</i>	.121	5.571	.000	-.135	-5.542	.000	-.238	-10.772	.000	-.111	-8.085	.000
F-statistic		44.788	.000		74.348	.000		97.297	.000		197.190	.000
Adjusted R ²		.084			.113			.125			.102	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix Q.6: Audit fee estimation of industry leader premiums for WA SMSFs sample, 2008-2010

	<u>Panel A (2008 year n=3,532)</u>			<u>Panel B (2009 year n=4,667)</u>			<u>Panel C (2010 year n=5,222)</u>			<u>Panel D (All years n=13,421)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.359	31.598	.000	4.268	36.738	.000	4.459	40.810	.000	4.372	63.422	.000
<i>LASSETS</i>	.147	11.727	.000	.161	15.603	.000	.142	14.509	.000	.150	24.200	.000
<i>PARTICIPANTS</i>	.007	.450	.653	.034	2.644	.008	.030	2.572	.010	.025	3.376	.001
<i>ROA</i>	.144	.885	.376	-.766	-4.038	.000	-.752	-5.718	.000	-.554	-6.170	.000
<i>LCASH</i>	-.003	-.550	.582	-.006	-1.367	.172	-.003	-.595	.552	-.003	-1.206	.228
<i>LPROPERTY</i>	.003	1.604	.109	.002	.925	.355	.004	2.638	.008	.003	2.753	.006
<i>LSHARES</i>	.002	.788	.431	.005	2.805	.005	.006	3.519	.000	.005	4.424	.000
<i>FOREIGN</i>	.049	1.155	.248	.021	.624	.533	-.041	-1.363	.173	.003	.159	.873
<i>LCONT</i>	-.001	-.614	.539	-.003	-1.530	.126	-.001	-.345	.730	-.002	-2.042	.041
<i>ARTWORK</i>	.289	3.815	.000	.111	2.281	.023	.138	2.896	.004	.175	5.489	.000
<i>BORROWING</i>	-.060	-.946	.344	-.117	-2.710	.007	-.140	-3.691	.000	-.108	-4.100	.000
<i>RESERVEACCTS</i>	.221	1.221	.222	.139	.614	.539	.114	1.379	.168	.159	1.691	.091
<i>INHOUSE</i>	.082	1.180	.238	.064	.929	.353	.076	1.097	.273	.075	1.849	.065
<i>DISPOSAL</i>	.058	2.257	.024	.118	6.644	.000	.100	5.841	.000	.090	8.052	.000
<i>LOSSES</i>	.153	4.145	.000	.092	3.535	.000	.120	5.292	.000	.129	8.433	.000
<i>OPINION</i>	.004	.088	.930	.090	2.176	.030	.134	3.287	.001	.071	2.832	.005
<i>LAG</i>	.029	1.481	.139	.027	1.565	.118	.050	3.035	.002	.023	2.252	.024
<i>LEADER_ALL</i>	-.452	-20.063	.000	-.550	-33.810	.000	-.552	-32.729	.000	-.519	-49.883	.000
F-statistic		25.993	.000		44.631	.000		55.796	.000		122.031	.000
Adjusted R ²		.107			.145			.151			.133	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix R: Audit fee estimation of industry leader premiums for Australian SMSFs sample, 2008-2010
(Dependent variable is log of audit fees)

	Panel A (2008 year n=27,075)			Panel B (2009 year n=33,765)			Panel C (2010 year n=38,828)			Panel D (All years n=99,668)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.489	85.475	.000	4.419	95.839	.000	4.334	99.647	.000	4.418	163.924	.000
<i>LASSETS</i>	.130	28.479	.000	.139	34.149	.000	.150	38.512	.000	.140	58.778	.000
<i>PARTICIPANTS</i>	.008	1.339	.181	.023	4.409	.000	.013	2.634	.008	.015	4.998	.000
<i>ROA</i>	-.076	-1.195	.232	-.607	-7.710	.000	-.592	-9.160	.000	-.454	-11.855	.000
<i>LCASH</i>	.000	.076	.940	.002	1.183	.237	-.001	-.749	.454	.000	.432	.665
<i>LPROPERTY</i>	.001	1.470	.142	.002	2.294	.022	.001	2.044	.041	.001	3.009	.003
<i>LSHARES</i>	.004	4.548	.000	.006	8.902	.000	.005	8.520	.000	.005	13.273	.000
<i>FOREIGN</i>	-.017	-1.115	.265	-.006	-.497	.620	-.018	-1.561	.119	-.014	-1.845	.065
<i>LCONT</i>	.001	1.005	.315	.001	.956	.339	.001	.965	.335	.001	1.376	.169
<i>ARTWORK</i>	.138	4.997	.000	.138	5.587	.000	.101	4.519	.000	.125	8.749	.000
<i>BORROWING</i>	.022	.620	.535	-.057	-2.173	.030	-.105	-5.928	.000	-.063	-4.666	.000
<i>RESERVEACCTS</i>	.156	2.597	.009	.153	2.902	.004	.001	.018	.986	.084	3.263	.001
<i>INHOUSE</i>	.118	4.200	.000	.124	5.571	.000	.101	4.578	.000	.113	8.228	.000
<i>DISPOSAL</i>	.095	9.947	.000	.071	9.853	.000	.058	8.692	.000	.068	15.603	.000
<i>LOSSES</i>	.194	12.583	.000	.125	10.589	.000	.145	15.157	.000	.149	22.495	.000
<i>OPINION</i>	.085	4.209	.000	.111	6.302	.000	.078	4.816	.000	.091	8.823	.000
<i>LAG</i>	.057	7.409	.000	.064	8.979	.000	.070	10.483	.000	.059	14.515	.000
<i>LEADER_ALL</i>	-.258	-19.422	.000	-.335	-27.601	.000	-.308	-29.576	.000	-.304	-44.653	.000
F-statistic		131.146	.000		223.326	.000		267.266	.000		601.501	.000
Adjusted R ²		.076			.101			.104			.093	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LEADER_ALL* = 1 if top ten leading auditor.

**Appendix S: Audit fee estimation of industry leader premiums for SMSFs sample partitioned by total assets (median), 2008-2010
(Dependent variable is log of audit fees)**

Appendix S.1: Audit fee estimation of industry leader premiums for Australian SMSFs sample less than total assets (median), 2008-2010

	Panel A (2008 year n=13,537)			Panel B (2009 year n=16,883)			Panel C (2010 year n=19,414)			Panel D (All years n=49,834)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.671	47.102	.000	4.484	50.871	.000	4.357	52.412	.000	4.489	87.941	.000
<i>LASSETS</i>	.116	13.441	.000	.138	17.692	.000	.149	19.970	.000	.137	30.174	.000
<i>PARTICIPANTS</i>	.004	.457	.648	.013	1.779	.075	.009	1.374	.170	.008	1.840	.066
<i>ROA</i>	-.132	-1.587	.113	-.633	-6.220	.000	-.588	-7.359	.000	-.472	-9.629	.000
<i>LCASH</i>	.002	.642	.521	.002	.699	.485	-.002	-.623	.534	.000	.196	.845
<i>LPROPERTY</i>	-.000	-.035	.972	.000	.322	.747	-.001	-.525	.600	-.000	-.596	.551
<i>LSHARES</i>	.002	2.234	.026	.005	4.942	.000	.005	5.216	.000	.004	7.569	.000
<i>FOREIGN</i>	.018	.715	.475	.004	.218	.828	-.002	-.088	.930	.010	.883	.377
<i>LCONT</i>	-.000	-.385	.700	-.001	-1.396	.163	-.001	-1.192	.233	-.001	-1.850	.064
<i>ARTWORK</i>	.102	2.550	.011	.129	3.985	.000	.098	3.127	.002	.116	5.833	.000
<i>BORROWING</i>	.057	1.037	.300	-.122	-3.336	.001	-.116	-3.923	.000	-.087	-4.048	.000
<i>RESERVEACCTS</i>	.069	.628	.530	.060	.739	.460	-.050	-1.024	.306	.009	.217	.828
<i>INHOUSE</i>	.112	2.563	.010	.163	4.943	.000	.112	3.367	.001	.132	6.339	.000
<i>DISPOSAL</i>	.098	7.790	.000	.067	7.019	.000	.062	6.792	.000	.070	11.945	.000
<i>LOSSES</i>	.192	10.772	.000	.120	8.732	.000	.160	14.079	.000	.152	19.621	.000
<i>OPINION</i>	.122	4.477	.000	.076	3.247	.001	.105	4.582	.000	.098	6.972	.000
<i>LAG</i>	.054	4.991	.000	.066	6.714	.000	.075	8.044	.000	.063	11.125	.000
<i>LEADER_ALL</i>	-.164	-8.030	.000	-.276	-14.908	.000	-.295	-18.958	.000	-.259	-25.056	.000
F-statistic		34.713	.000		65.069	.000		90.816	.000		181.974	.000
Adjusted R ²		.041			.061			.073			.058	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix S.2: Audit fee estimation of industry leader premiums for Australian SMSFs sample greater than total assets (median), 2008-2010

	Panel A (2008 year n=13,537)			Panel B (2009 year n=16,883)			Panel C (2010 year n=19,414)			Panel D (All years n=49,834)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	3.812	28.016	.000	3.920	34.659	.000	4.036	38.983	.000	3.970	59.590	.000
<i>LASSETS</i>	.181	17.264	.000	.173	19.575	.000	.172	21.161	.000	.172	33.159	.000
<i>PARTICIPANTS</i>	.009	1.132	.258	.029	3.984	.000	.014	2.022	.043	.019	4.556	.000
<i>ROA</i>	.164	1.604	.109	-.468	-3.765	.000	-.496	-4.559	.000	-.329	-5.339	.000
<i>LCASH</i>	-.004	-1.418	.156	.001	.337	.736	-.002	-1.040	.299	-.001	-.736	.462
<i>LPROPERTY</i>	.001	1.466	.143	.002	2.008	.045	.002	2.102	.036	.001	3.046	.002
<i>LSHARES</i>	.004	3.875	.000	.007	7.207	.000	.006	6.364	.000	.006	10.502	.000
<i>FOREIGN</i>	-.042	-2.249	.025	-.015	-.914	.361	-.028	-1.870	.062	-.030	-3.137	.002
<i>LCONT</i>	.002	1.692	.091	.003	2.538	.011	.002	2.473	.013	.002	3.525	.000
<i>ARTWORK</i>	.168	4.369	.000	.145	3.909	.000	.104	3.287	.001	.131	6.462	.000
<i>BORROWING</i>	-.004	-.080	.936	-.014	-.398	.691	-.084	-3.807	.000	-.042	-2.384	.017
<i>RESERVEACCTS</i>	.181	2.533	.011	.182	2.742	.006	.008	.223	.824	.104	3.314	.001
<i>INHOUSE</i>	.112	3.077	.002	.087	2.901	.004	.086	2.885	.004	.093	5.072	.000
<i>DISPOSAL</i>	.084	5.729	.000	.072	6.602	.000	.049	5.060	.000	.061	9.362	.000
<i>LOSSES</i>	.122	3.558	.000	.113	4.501	.000	.085	4.488	.000	.107	7.711	.000
<i>OPINION</i>	.040	1.325	.185	.150	5.552	.000	.043	1.851	.064	.080	5.189	.000
<i>LAG</i>	.058	5.205	.000	.059	5.693	.000	.063	6.573	.000	.053	8.941	.000
<i>LEADER_ALL</i>	-.329	-19.260	.000	-.386	-24.590	.000	-.320	-22.948	.000	-.343	-38.483	.000
F-statistic		49.760	.000		83.915	.000		78.949	.000		203.113	.000
Adjusted R ²		.058			.077			.064			.065	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix T: Audit fee estimation of professional body premiums for SMSFs sample by state/territory, 2008-2010
(Dependent variable is log of audit fees)

Appendix T.1: Audit fee estimation of professional body premiums for ACT SMSFs sample, 2008-2010

	Panel A (2008 year n=298)			Panel B (2009 year n=388)			Panel C (2010 year n=433)			Panel D (All years n=1,119)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.638	8.030	.000	5.032	9.760	.000	4.633	10.706	.000	4.632	15.989	.000
<i>LASSETS</i>	.122	2.712	.007	.069	1.635	.103	.112	3.110	.002	.115	4.726	.000
<i>PARTICIPANTS</i>	.020	.307	.759	.015	.272	.786	.014	.316	.752	.017	.555	.579
<i>ROA</i>	-1.558	-2.202	.029	.337	.518	.605	.778	1.313	.190	-.228	-.560	.576
<i>LCASH</i>	-.021	-1.410	.160	-.017	-1.292	.197	-.009	-.702	.483	-.017	-2.149	.032
<i>LPROPERTY</i>	.010	1.185	.237	.017	1.935	.054	-.008	-1.107	.269	.006	1.202	.230
<i>LSHARES</i>	.006	.750	.454	.019	2.945	.003	.009	1.639	.102	.012	3.113	.002
<i>FOREIGN</i>	-.074	-.477	.634	-.224	-1.485	.138	-.132	-1.328	.185	-.142	-1.860	.063
<i>LCONT</i>	-.015	-1.278	.202	.002	.237	.813	-.005	-.718	.473	-.005	-1.111	.267
<i>ARTWORK</i>	.121	.558	.578	.129	.511	.610	.119	.574	.566	.065	.479	.632
<i>BORROWING</i>	-.096	-.253	.801	-.592	-4.827	.000	-.130	-.910	.363	-.294	-2.220	.027
<i>RESERVEACCTS</i>	.368	1.944	.053	-1.092	-4.955	.000	-.093	-.390	.697	-.139	-.605	.546
<i>INHOUSE</i>	-.192	-1.439	.151	.452	1.708	.089	.087	.376	.707	.018	.151	.880
<i>DISPOSAL</i>	.070	.702	.483	.019	.213	.832	-.122	-1.738	.083	-.053	-1.119	.264
<i>LOSSES</i>	.229	1.485	.139	.213	1.920	.056	.241	2.158	.032	.227	3.278	.001
<i>OPINION</i>	.054	.391	.696	.090	.431	.667	.667	1.861	.063	.186	1.514	.130
<i>LAG</i>	.023	.282	.778	-.043	-.567	.571	.065	1.014	.311	.030	.729	.466
<i>AG</i>				-.091	-.540	.590				-.214	-2.468	.014
<i>RCA</i>	1.464	5.458	.000	1.177	5.632	.000	.803	4.704	.000	1.067	8.798	.000
<i>CPA_ICAA_IPA</i>	.368	4.385	.000	.455	6.619	.000	.522	8.346	.000	.450	11.603	.000
F-statistic		4.165	.000		5.000	.000		7.001	.000		12.496	.000
Adjusted R ²		.161			.164			.200			.163	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix T.2: Audit fee estimation of professional body premiums for NSW SMSFs sample, 2008-2010

	Panel A (2008 year n=8,105)			Panel B (2009 year n=10,073)			Panel C (2010 year n=11,483)			Panel D (All years n=29,661)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.229	39.212	.000	4.312	44.646	.000	4.303	49.549	.000	4.301	78.090	.000
LASSETS	.145	16.624	.000	.135	16.094	.000	.141	18.758	.000	.139	29.686	.000
PARTICIPANTS	-.013	-1.116	.265	.029	2.929	.003	.023	2.442	.015	.015	2.534	.011
ROA	-.122	-.928	.354	-.477	-2.781	.005	-.680	-5.583	.000	-.411	-5.295	.000
LCASH	.005	1.565	.118	.000	.049	.961	.002	.473	.636	.002	1.068	.286
LPROPERTY	-.002	-.930	.352	.004	2.589	.010	.000	.200	.842	.001	.907	.365
LSHARES	.006	3.597	.000	.009	6.611	.000	.007	5.763	.000	.007	9.450	.000
FOREIGN	.010	.312	.755	-.024	-.852	.395	-.049	-1.917	.055	-.022	-1.331	.183
LCONT	.002	1.103	.270	.001	.743	.457	.000	.135	.892	.001	1.209	.227
ARTWORK	.107	2.240	.025	.112	2.317	.021	.048	1.022	.307	.089	3.230	.001
BORROWING	.083	1.075	.283	-.059	-1.024	.306	-.184	-5.381	.000	-.114	-4.068	.000
RESERVEACCTS	-.168	-1.545	.122	.024	.321	.748	.021	.350	.727	-.025	-.557	.577
INHOUSE	.062	1.143	.253	.136	3.185	.002	.115	2.947	.003	.107	4.193	.000
DISPOSAL	.106	5.593	.000	.070	4.722	.000	.071	5.385	.000	.079	9.077	.000
LOSSES	.194	6.612	.000	.111	4.655	.000	.094	4.970	.000	.121	9.254	.000
OPINION	.030	.751	.453	.095	2.640	.008	.046	1.595	.111	.058	2.922	.004
LAG	.060	3.861	.000	.068	4.664	.000	.065	4.894	.000	.065	7.830	.000
AG	.225	1.835	.067	.177	1.192	.233				.199	2.066	.039
RCA	.150	3.721	.000	.273	8.408	.000	.255	9.600	.000	.232	12.618	.000
CPA_ICAA_IPA	.222	6.620	.000	.251	9.717	.000	.199	10.312	.000	.223	15.614	.000
F-statistic		37.988	.000		50.779	.000		62.124	.000		142.379	.000
Adjusted R ²		.080			.086			.087			.083	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, LCONT = natural log of total concessional contributions received, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, RESERVEACCTS = 1 if reserve accounts, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, AG = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, RCA = 1 if auditor is a registered company auditor, CPA_ICAA_IPA = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix T.3: Audit fee estimation of professional body premiums for NT SMSFs sample, 2008-2010

	<u>Panel A (2008 year n=51)</u>			<u>Panel B (2009 year n=58)</u>			<u>Panel C (2010 year n=71)</u>			<u>Panel D (All years n=180)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept										5.136	6.863	.000
<i>LASSETS</i>										.091	1.536	.127
<i>PARTICIPANTS</i>										.112	1.451	.149
<i>ROA</i>										.775	.721	.472
<i>LCASH</i>										-.051	-1.594	.113
<i>LPROPERTY</i>										-.020	-1.995	.048
<i>LSHARES</i>										-.006	-.545	.587
<i>FOREIGN</i>										.114	.584	.560
<i>LCONT</i>										.016	1.149	.252
<i>ARTWORK</i>										-.763	-1.585	.115
<i>BORROWING</i>										-.425	-3.279	.001
<i>RESERVEACCTS</i>										1.277	5.806	.000
<i>INHOUSE</i>										-.035	-.136	.892
<i>DISPOSAL</i>										.187	1.669	.097
<i>LOSSES</i>										.154	1.029	.305
<i>OPINION</i>										.440	1.923	.056
<i>LAG</i>										.083	.713	.477
<i>AG</i>												
<i>RCA</i>										.560	3.910	.000
<i>CPA_ICAA_IPA</i>										.660	4.627	.000
F-statistic											1.973	.014
Adjusted R ²											.089	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix T.4: Audit fee estimation of professional body premiums for QLD SMSFs sample, 2008-2010

	Panel A (2008 year n=4,886)			Panel B (2009 year n=5,961)			Panel C (2010 year n=6,780)			Panel D (All years n=17,627)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.892	40.715	.000	4.597	41.477	.000	4.523	42.498	.000	4.667	72.462	.000
LASSETS	.101	10.007	.000	.120	13.858	.000	.141	15.228	.000	.123	22.785	.000
PARTICIPANTS	.019	1.393	.164	.015	1.155	.248	-.008	-.775	.438	.007	1.045	.296
ROA	.047	.340	.734	-.351	-2.227	.026	-.440	-2.818	.005	-.314	-3.750	.000
LCASH	-.008	-1.967	.049	.002	.563	.573	-.005	-1.332	.183	-.003	-1.544	.123
LPROPERTY	.004	2.601	.009	.002	1.275	.203	.001	.885	.376	.002	2.593	.010
LSHARES	.006	3.656	.000	.003	2.413	.016	.004	2.952	.003	.004	5.352	.000
FOREIGN	.010	.293	.770	.028	.942	.346	-.009	-.350	.726	.008	.456	.649
LCONT	-.000	-.155	.877	-.001	-.569	.570	-.000	-.266	.791	-.001	-.855	.393
ARTWORK	-.056	-.936	.349	.123	2.267	.023	.022	.508	.612	.038	1.267	.205
BORROWING	-.028	-.305	.760	-.032	-.549	.583	-.032	-.881	.378	-.020	-.664	.506
RESERVEACCTS	.164	1.233	.218	-.038	-.302	.763	-.010	-.157	.875	.028	.521	.602
INHOUSE	.197	3.440	.001	.062	1.355	.175	.087	1.741	.082	.109	3.714	.000
DISPOSAL	.072	3.524	.000	.065	4.035	.000	.059	3.888	.000	.060	6.186	.000
LOSSES	.157	4.458	.000	.129	4.941	.000	.147	6.833	.000	.144	9.684	.000
OPINION	.192	4.855	.000	.114	2.961	.003	.090	2.871	.004	.127	6.056	.000
LAG	.070	4.160	.000	.080	4.812	.000	.067	4.547	.000	.064	6.996	.000
AG	-.227	-1.195	.232	.065	.564	.573				-.073	-.740	.460
RCA	-.088	-1.702	.089	.021	.448	.655	-.024	-.550	.583	-.028	-1.013	.311
CPA_ICAA_IPA	-.066	-1.454	.146	.022	.533	.594	-.053	-1.441	.150	-.033	-1.386	.166
F-statistic		19.792	.000		26.058	.000		35.195	.000		74.565	.000
Adjusted R ²		.068			.074			.083			.073	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, LCONT = natural log of total concessional contributions received, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, RESERVEACCTS = 1 if reserve accounts, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, AG = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, RCA = 1 if auditor is a registered company auditor, CPA_ICAA_IPA = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix T.5: Audit fee estimation of professional body premiums for SA SMSFs sample, 2008-2010

	Panel A (2008 year n=1,738)			Panel B (2009 year n=2,342)			Panel C (2010 year n=2,807)			Panel D (All years n=6,887)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.457	21.805	.000	4.465	25.216	.000	4.822	32.398	.000	4.663	46.662	.000
<i>LASSETS</i>	.102	6.321	.000	.105	7.255	.000	.110	8.561	.000	.105	12.631	.000
<i>PARTICIPANTS</i>	.028	1.327	.185	.011	.631	.528	.020	1.222	.222	.020	1.908	.057
<i>ROA</i>	.424	1.957	.051	-.146	-.504	.614	-.476	-2.200	.028	-.194	-1.458	.145
<i>LCASH</i>	.013	1.877	.061	.004	.708	.479	-.004	-.793	.428	.005	1.301	.193
<i>LPROPERTY</i>	.009	3.449	.001	.011	4.253	.000	.005	2.004	.045	.008	5.525	.000
<i>LSHARES</i>	.007	2.515	.012	.009	3.741	.000	.007	3.406	.001	.008	5.585	.000
<i>FOREIGN</i>	-.070	-1.484	.138	-.066	-1.404	.161	-.033	-1.048	.295	-.049	-2.046	.041
<i>LCONT</i>	.001	.210	.834	.004	1.678	.093	.004	1.804	.071	.003	1.872	.061
<i>ARTWORK</i>	.024	.220	.826	.046	.449	.654	-.046	-.537	.591	-.005	-.081	.935
<i>BORROWING</i>	.077	.605	.545	-.266	-3.187	.002	-.006	-.098	.922	-.090	-1.811	.070
<i>RESERVEACCTS</i>	.020	.163	.871	.167	1.366	.172	.191	1.626	.104	.174	2.352	.019
<i>INHOUSE</i>	.094	.660	.509	.102	1.324	.186	.038	.395	.693	.069	1.189	.235
<i>DISPOSAL</i>	.051	1.503	.133	.049	1.963	.050	.031	1.402	.161	.044	2.934	.003
<i>LOSSES</i>	.248	4.049	.000	.110	2.521	.012	.117	3.484	.001	.141	5.778	.000
<i>OPINION</i>	.027	.363	.717	.159	2.819	.005	-.093	-1.497	.134	.045	1.186	.236
<i>LAG</i>	.104	3.870	.000	.034	1.401	.161	.074	3.373	.001	.062	4.455	.000
<i>AG</i>	.761	3.229	.001	.407	4.074	.000				.333	3.366	.001
<i>RCA</i>	.347	3.081	.002	.585	6.651	.000	.030	.476	.634	.242	5.051	.000
<i>CPA_ICAA_IPA</i>	.026	.261	.794	.194	2.678	.007	-.099	-1.875	.061	-.017	-.410	.682
F-statistic		11.421	.000		18.855	.000		13.937	.000		38.244	.000
Adjusted R ²		.102			.127			.077			.093	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix T.6: Audit fee estimation of professional body premiums for TAS SMSFs sample, 2008-2010

	Panel A (2008 year n=396)			Panel B (2009 year n=458)			Panel C (2010 year n=599)			Panel D (All years n=1,453)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	3.414	8.040	.000	4.010	11.338	.000	4.213	10.099	.000	3.985	16.076	.000
<i>LASSETS</i>	.211	6.494	.000	.152	5.907	.000	.128	3.714	.000	.153	7.799	.000
<i>PARTICIPANTS</i>	-.044	-1.016	.310	-.055	-1.123	.262	.017	.458	.647	-.025	-.973	.331
<i>ROA</i>	.088	.168	.867	-1.040	-2.432	.015	-.165	-.271	.787	-.554	-1.613	.107
<i>LCASH</i>	.001	.102	.919	.009	.740	.460	.012	1.017	.310	.010	1.423	.155
<i>LPROPERTY</i>	-.003	-.506	.614	.002	.444	.658	.007	1.503	.133	.003	.974	.330
<i>LSHARES</i>	.013	2.260	.024	.007	1.312	.190	.002	.478	.633	.008	2.665	.008
<i>FOREIGN</i>	-.025	-.273	.785	.078	.956	.340	-.010	-.125	.900	.005	.106	.915
<i>LCONT</i>	.000	.058	.954	-.003	-.592	.554	.004	.916	.360	.001	.482	.630
<i>ARTWORK</i>	.216	.800	.424	.195	1.181	.238	.134	.916	.360	.172	1.515	.130
<i>BORROWING</i>	.399	2.172	.031	-.292	-.690	.490	-.235	-1.580	.115	-.169	-1.255	.210
<i>RESERVEACCTS</i>	.215	1.205	.229	-.422	-.769	.442	-.442	-3.554	.000	-.159	-.765	.445
<i>INHOUSE</i>	.376	1.321	.188	.395	3.040	.003	.201	1.313	.190	.282	2.793	.005
<i>DISPOSAL</i>	.053	.781	.436	.181	3.174	.002	.142	2.785	.006	.121	3.631	.000
<i>LOSSES</i>	.391	4.011	.000	.108	1.176	.240	.185	2.346	.019	.201	3.789	.000
<i>OPINION</i>	-.406	-2.281	.023	-.143	-.451	.652	.164	1.266	.206	-.048	-.432	.666
<i>LAG</i>	.112	2.006	.046	.205	4.344	.000	.127	2.577	.010	.141	4.819	.000
<i>AG</i>												
<i>RCA</i>	-.011	-.050	.960	.467	2.799	.005	.439	2.518	.012	.350	3.001	.003
<i>CPA_ICAA_IPA</i>	.101	.480	.632	.270	1.746	.082	.189	1.171	.242	.190	1.747	.081
F-statistic		5.553	.000		8.159	.000		6.646	.000		16.775	.000
Adjusted R ²		.172			.220			.145			.164	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix T.7: Audit fee estimation of professional body premiums for VIC SMSFs sample, 2008-2010

	Panel A (2008 year n=8,069)			Panel B (2009 year n=9,818)			Panel C (2010 year n=11,433)			Panel D (All years n=29,320)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.461	48.237	.000	4.083	54.434	.000	3.874	53.622	.000	4.077	89.902	.000
<i>LASSETS</i>	.120	15.181	.000	.141	20.976	.000	.151	22.853	.000	.139	34.452	.000
<i>PARTICIPANTS</i>	.020	1.989	.047	.021	2.430	.015	.004	.488	.625	.016	2.952	.003
<i>ROA</i>	-.216	-1.985	.047	-.893	-6.589	.000	-.663	-5.430	.000	-.602	-8.820	.000
<i>LCASH</i>	.001	.229	.819	.004	1.479	.139	-.002	-.726	.468	.001	.516	.606
<i>LPROPERTY</i>	.002	1.697	.090	-.001	-1.072	.284	.001	1.233	.218	.001	1.078	.281
<i>LSHARES</i>	.004	2.871	.004	.005	4.326	.000	.004	4.152	.000	.005	6.774	.000
<i>FOREIGN</i>	-.049	-2.052	.040	-.010	-.490	.624	.018	.922	.356	-.010	-.845	.398
<i>LCONT</i>	.000	.146	.884	.000	.084	.933	-.000	-.180	.857	-.000	-.275	.783
<i>ARTWORK</i>	.186	3.749	.000	.186	4.132	.000	.185	4.241	.000	.186	7.071	.000
<i>BORROWING</i>	.037	.615	.539	.032	.608	.543	-.045	-1.232	.218	-.004	-1.155	.877
<i>RESERVEACCTS</i>	.431	3.796	.000	.376	4.134	.000	-.055	-.962	.336	.194	3.995	.000
<i>INHOUSE</i>	.168	3.154	.002	.158	4.107	.000	.131	3.383	.001	.150	6.034	.000
<i>DISPOSAL</i>	.136	8.329	.000	.068	5.542	.000	.057	4.917	.000	.075	9.941	.000
<i>LOSSES</i>	.206	7.521	.000	.126	5.767	.000	.141	8.167	.000	.153	12.655	.000
<i>OPINION</i>	.144	3.533	.000	.132	4.112	.000	.022	.664	.506	.103	5.060	.000
<i>LAG</i>	.045	3.409	.001	.055	4.435	.000	.065	5.426	.000	.050	6.914	.000
<i>AG</i>	-.175	-.404	.686	.542	3.988	.000				.537	3.968	.000
<i>RCA</i>	.068	2.086	.037	.277	10.444	.000	.436	17.972	.000	.314	19.683	.000
<i>CPA_ICAA_IPA</i>	-.026	-.935	.350	.204	9.000	.000	.382	19.221	.000	.244	18.181	.000
F-statistic		40.209	.000		72.132	.000		116.778	.000		200.879	.000
Adjusted R ²		.085			.121			.154			.115	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix T.8: Audit fee estimation of professional body premiums for WA SMSFs sample, 2008-2010

	Panel A (2008 year n=3,532)			Panel B (2009 year n=4,667)			Panel C (2010 year n=5,222)			Panel D (All years n=13,421)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.373	29.436	.000	4.228	34.051	.000	4.297	40.083	.000	4.292	60.131	.000
LASSETS	.138	10.920	.000	.148	14.211	.000	.133	14.084	.000	.140	22.743	.000
PARTICIPANTS	.009	.587	.557	.035	2.666	.008	.034	2.869	.004	.028	3.678	.000
ROA	.228	1.388	.165	-.576	-3.021	.003	-.503	-3.849	.000	-.383	-4.249	.000
LCASH	-.005	-.924	.356	-.007	-1.707	.088	-.003	-.777	.437	-.005	-1.776	.076
LPROPERTY	.005	2.601	.009	.004	2.403	.016	.007	4.096	.000	.005	5.040	.000
LSHARES	.003	1.264	.206	.006	3.552	.000	.007	3.944	.000	.006	5.390	.000
FOREIGN	.071	1.696	.090	.050	1.519	.129	-.003	-.112	.911	.034	1.724	.085
LCONT	.001	.495	.620	-.001	-.369	.713	.001	.742	.458	-.000	-.033	.974
ARTWORK	.305	4.033	.000	.139	2.803	.005	.173	3.681	.000	.202	6.375	.000
BORROWING	-.026	-.409	.683	-.078	-1.761	.078	-.118	-3.115	.002	-.078	-2.961	.003
RESERVEACCTS	.241	1.331	.183	.163	.711	.477	.154	1.834	.067	.186	1.962	.050
INHOUSE	.098	1.415	.157	.069	.993	.321	.098	1.439	.150	.088	2.175	.030
DISPOSAL	.030	1.177	.239	.077	4.330	.000	.056	3.266	.001	.051	4.612	.000
LOSSES	.161	4.316	.000	.105	3.982	.000	.139	6.140	.000	.142	9.183	.000
OPINION	.028	.614	.540	.109	2.623	.009	.110	2.584	.010	.079	3.078	.002
LAG	-.001	-.056	.955	.036	2.078	.038	.058	3.439	.001	.017	1.701	.089
AG	.231	2.008	.045	.493	.914	.361				.331	1.840	.066
RCA	.206	3.373	.001	.208	3.969	.000	.262	5.944	.000	.236	7.999	.000
CPA_ICAA_IPA	.081	1.624	.105	.161	3.632	.000	.239	6.669	.000	.176	7.258	.000
F-statistic		18.873	.000		30.587	.000		38.478	.000		80.735	.000
Adjusted R ²		.088			.108			.114			.101	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, LCONT = natural log of total concessional contributions received, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, RESERVEACCTS = 1 if reserve accounts, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, AG = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, RCA = 1 if auditor is a registered company auditor, CPA_ICAA_IPA = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix U: Audit fee estimation of professional body premiums for Australian SMSFs sample, 2008-2010
Interaction with industry leaders (Dependent variable is log of audit fees)

	Panel A (2008 year n=27,075)			Panel B (2009 year n=33,765)			Panel C (2010 year n=38,828)			Panel D (All years n=99,668)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.362	78.913	.000	4.287	89.338	.000	4.228	95.231	.000	4.291	153.471	.000
<i>LASSETS</i>	.132	28.803	.000	.135	33.232	.000	.142	36.745	.000	.137	57.272	.000
<i>PARTICIPANTS</i>	.008	1.300	.194	.024	4.628	.000	.015	3.062	.002	.016	5.390	.000
<i>ROA</i>	-.076	-1.182	.237	-.584	-7.461	.000	-.543	-8.572	.000	-.443	-11.641	.000
<i>LCASH</i>	-.000	-.078	.938	.002	1.078	.281	-.002	-.961	.336	.000	.174	.862
<i>LPROPERTY</i>	.001	1.396	.163	.002	2.373	.018	.001	1.892	.059	.001	2.952	.003
<i>LSHARES</i>	.003	4.325	.000	.006	8.870	.000	.005	8.414	.000	.005	13.202	.000
<i>FOREIGN</i>	-.017	-1.113	.266	-.011	-.856	.392	-.024	-2.137	.033	-.018	-2.474	.013
<i>LCONT</i>	.001	.877	.380	.001	.887	.375	.001	1.073	.283	.001	1.273	.203
<i>ARTWORK</i>	.140	5.043	.000	.140	5.682	.000	.104	4.626	.000	.126	8.877	.000
<i>BORROWING</i>	.020	.555	.579	-.057	-2.186	.029	-.101	-5.726	.000	-.062	-4.549	.000
<i>RESERVEACCTS</i>	.155	2.583	.010	.147	2.781	.005	.004	.127	.899	.082	3.222	.001
<i>INHOUSE</i>	.118	4.194	.000	.120	5.431	.000	.098	4.429	.000	.111	8.069	.000
<i>DISPOSAL</i>	.095	9.973	.000	.072	9.930	.000	.058	8.837	.000	.068	15.614	.000
<i>LOSSES</i>	.194	12.586	.000	.124	10.573	.000	.138	14.581	.000	.146	22.200	.000
<i>OPINION</i>	.087	4.294	.000	.111	6.309	.000	.072	4.410	.000	.090	8.684	.000
<i>LAG</i>	.058	7.483	.000	.062	8.712	.000	.068	10.289	.000	.057	13.968	.000
<i>AG</i>	.215	2.235	.025	.276	4.058	.000				.280	5.117	.000
<i>RCA</i>	.144	6.732	.000	.234	13.062	.000	.257	16.760	.000	.222	21.790	.000
<i>CPA_ICAA_IPA</i>	.117	6.427	.000	.179	11.973	.000	.212	17.094	.000	.179	21.190	.000
<i>LEADER_ALL</i>	.350	7.867	.000	-.374	-10.508	.000	-.650	-34.777	.000	-.432	-20.325	.000
<i>CPAAICAAIPA*LEADER_ALL</i>	-.640	-13.764	.000	.069	1.831	.067	.416	19.233	.000	.163	7.252	.000
F-statistic		111.258	.000		191.821	.000		264.941	.000		523.194	.000
Adjusted R ²		.079			.106			.120			.099	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards, *LEADER_ALL* = 1 if top ten leading auditor.

**Appendix V: Audit fee estimation of professional body premiums for Australian SMSFs sample by state/territory, 2008-2010
(Dependent variable is log of audit fees)**

Appendix V.1: Audit fee estimation of professional body premiums for NSW SMSFs sample, 2008-2010 – interaction with industry leaders

	Panel A (2008 year n=8,105)			Panel B (2009 year n=10,073)			Panel C (2010 year n=11,483)			Panel D (All years n=29,661)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.212	39.207	.000	4.283	44.452	.000	4.273	49.438	.000	4.274	77.888	.000
<i>LASSETS</i>	.145	16.713	.000	.137	16.348	.000	.144	19.218	.000	.141	30.215	.000
<i>PARTICIPANTS</i>	-.012	-1.011	.312	.028	2.819	.005	.021	2.283	.022	.014	2.409	.016
<i>ROA</i>	-.151	-1.147	.251	-.485	-2.837	.005	-.689	-5.680	.000	-.435	-5.620	.000
<i>LCASH</i>	.006	1.881	.060	.001	.200	.842	.001	.425	.671	.002	1.268	.205
<i>LPROPERTY</i>	-.001	-.901	.368	.003	2.439	.015	.000	.150	.881	.001	.790	.429
<i>LSHARES</i>	.005	3.453	.001	.009	6.556	.000	.007	5.625	.000	.007	9.294	.000
<i>FOREIGN</i>	.011	.352	.725	-.022	-.800	.424	-.054	-2.115	.035	-.023	-1.422	.155
<i>LCONT</i>	.002	1.086	.277	.001	.734	.463	.000	.054	.957	.001	1.122	.262
<i>ARTWORK</i>	.101	2.123	.034	.109	2.277	.023	.048	1.036	.300	.087	3.168	.002
<i>BORROWING</i>	.095	1.245	.213	-.039	-.690	.490	-.178	-5.193	.000	-.102	-3.645	.000
<i>RESERVEACCTS</i>	-.162	-1.505	.132	.021	.274	.784	.012	.203	.839	-.029	-.651	.515
<i>INHOUSE</i>	.075	1.401	.161	.141	3.377	.001	.112	2.868	.004	.111	4.362	.000
<i>DISPOSAL</i>	.109	5.797	.000	.072	4.908	.000	.074	5.659	.000	.081	9.396	.000
<i>LOSSES</i>	.191	6.545	.000	.109	4.586	.000	.094	5.001	.000	.120	9.195	.000
<i>OPINION</i>	.045	1.113	.266	.116	3.270	.001	.058	1.960	.050	.074	3.683	.000
<i>LAG</i>	.063	4.043	.000	.072	4.954	.000	.067	5.025	.000	.066	8.082	.000
<i>AG</i>	.227	1.848	.065	.180	1.209	.227				.200	2.083	.037
<i>RCA</i>	.151	3.734	.000	.275	8.466	.000	.255	9.627	.000	.232	12.663	.000
<i>CPA_ICAA_IPA</i>	.234	6.981	.000	.265	10.245	.000	.213	10.996	.000	.236	16.528	.000
<i>LEADER_ALL</i>	-.355	-12.481	.000	-1.601	-58.004	.000	-.737	-3.105	.002	-.825	-3.742	.000
<i>CPAAICAAIPA*LEADER_ALL</i>	-.295	-5.046	.000	1.040	21.326	.000	.283	1.182	.237	.295	1.331	.183
F-statistic		40.197	.000		54.729	.000		65.348	.000		151.944	.000
Adjusted R ²		.092			.101			.101			.097	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix V.2: Audit fee estimation of professional body premiums for QLD SMSFs sample, 2008-2010 – interaction with industry leaders

	Panel A (2008 year n=4,886)			Panel B (2009 year n=5,961)			Panel C (2010 year n=6,780)			Panel D (All years n=17,627)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept				4.581	41.416	.000	4.506	42.423	.000	4.651	72.232	.000
<i>LASSETS</i>				.122	14.072	.000	.142	15.397	.000	.124	23.079	.000
<i>PARTICIPANTS</i>				.014	1.114	.265	-.008	-.839	.402	.007	.957	.339
<i>ROA</i>				-.365	-2.317	.021	-.439	-2.803	.005	-.326	-3.879	.000
<i>LCASH</i>				.002	.697	.486	-.005	-1.323	.186	-.003	-1.482	.138
<i>LPROPERTY</i>				.002	1.156	.248	.001	.510	.610	.002	2.204	.028
<i>LSHARES</i>				.003	2.233	.026	.004	2.790	.005	.004	4.997	.000
<i>FOREIGN</i>				.035	1.176	.240	-.009	-.380	.704	.011	.652	.514
<i>LCONT</i>				-.001	-.716	.474	-.001	-.378	.706	-.001	-1.099	.272
<i>ARTWORK</i>				.122	2.216	.027	.015	.350	.727	.034	1.113	.266
<i>BORROWING</i>				-.027	-.471	.637	-.028	-.762	.446	-.016	-.548	.584
<i>RESERVEACCTS</i>				-.042	-.339	.735	-.011	-.179	.858	.025	.475	.635
<i>INHOUSE</i>				.057	1.254	.210	.074	1.478	.140	.101	3.450	.001
<i>DISPOSAL</i>				.071	4.353	.000	.063	4.183	.000	.065	6.700	.000
<i>LOSSES</i>				.132	5.068	.000	.154	7.178	.000	.148	9.973	.000
<i>OPINION</i>				.118	3.083	.002	.106	3.388	.001	.132	6.361	.000
<i>LAG</i>				.078	4.702	.000	.066	4.458	.000	.061	6.753	.000
<i>AG</i>				.067	.572	.567				-.071	-.729	.466
<i>RCA</i>				.021	.439	.661	-.017	-.397	.691	-.026	-.949	.342
<i>CPA_ICAA_IPA</i>				.035	.827	.408	-.036	-.974	.330	-.019	-.819	.413
<i>LEADER_ALL</i>				-.108	-.199	.843	-.224	-1.529	.126	-.166	-1.130	.258
<i>CPAAICAAIPA*LEADER_ALL</i>				-.072	-.133	.894	.060	.405	.686	-.003	-.020	.984
F-statistic					25.597	.000		34.616	.000		73.170	.000
Adjusted R ²					.080			.090			.079	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix V.3: Audit fee estimation of professional body premiums for SA SMSFs sample, 2008-2010 – interaction with industry leaders

	Panel A (2008 year n=1,738)			Panel B (2009 year n=2,342)			Panel C (2010 year n=2,807)			Panel D (All years n=6,887)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.198	20.664	.000	4.193	23.833	.000	4.656	31.036	.000	4.438	44.481	.000
<i>LASSETS</i>	.127	7.846	.000	.132	9.091	.000	.128	9.821	.000	.128	15.284	.000
<i>PARTICIPANTS</i>	.022	1.078	.281	.003	.174	.862	.017	1.046	.296	.014	1.426	.154
<i>ROA</i>	.302	1.427	.154	-.369	-1.301	.193	-.508	-2.324	.020	-.295	-2.228	.026
<i>LCASH</i>	.010	1.473	.141	.001	.135	.892	-.007	-1.312	.190	.001	.415	.678
<i>LPROPERTY</i>	.005	1.781	.075	.007	2.629	.009	.002	.968	.333	.004	3.110	.002
<i>LSHARES</i>	.006	2.240	.025	.009	3.780	.000	.007	3.286	.001	.007	5.356	.000
<i>FOREIGN</i>	-.019	-.429	.668	-.040	-.907	.365	-.008	-.269	.788	-.016	-.703	.482
<i>LCONT</i>	-.001	-.213	.831	.002	.877	.380	.002	1.141	.254	.001	.691	.490
<i>ARTWORK</i>	-.039	-.360	.719	.019	.183	.855	-.074	-.831	.406	-.041	-.718	.473
<i>BORROWING</i>	.072	.583	.560	-.234	-3.122	.002	-.001	-.015	.988	-.073	-1.574	.116
<i>RESERVEACCTS</i>	-.060	-.476	.634	.078	.654	.513	.150	1.291	.197	.109	1.493	.136
<i>INHOUSE</i>	.033	.237	.813	.087	1.175	.240	.016	.165	.869	.041	.725	.468
<i>DISPOSAL</i>	.093	2.773	.006	.081	3.271	.001	.048	2.131	.033	.071	4.765	.000
<i>LOSSES</i>	.240	3.968	.000	.114	2.660	.008	.138	4.109	.000	.155	6.430	.000
<i>OPINION</i>	.001	.010	.992	.104	1.861	.063	-.105	-1.711	.087	.015	.418	.676
<i>LAG</i>	.129	4.948	.000	.088	3.759	.000	.086	3.971	.000	.089	6.598	.000
<i>AG</i>	.736	3.038	.002	.412	4.056	.000				.327	3.294	.001
<i>RCA</i>	.345	3.044	.002	.576	6.596	.000	.015	.236	.814	.228	4.820	.000
<i>CPA_ICAA_IPA</i>	.096	.943	.346	.257	3.564	.000	-.073	-1.381	.168	.030	.750	.453
<i>LEADER_ALL</i>	-.543	-6.895	.000	-.504	-3.294	.001	-.234	-1.209	.227	-.261	-1.878	.061
<i>CPAAICAAIPA*LEADER_ALL</i>	.159	1.927	.054	.144	.929	.353	.025	.129	.897	-.044	-.315	.753
F-statistic		17.438	.000		25.229	.000		16.314	.000		52.123	.000
Adjusted R ²		.166			.179			.098			.135	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix V.4: Audit fee estimation of professional body premiums for VIC SMSFs sample, 2008-2010 – interaction with industry leaders

	Panel A (2008 year n=8,069)			Panel B (2009 year n=9,818)			Panel C (2010 year n=11,433)			Panel D (All years n=29,320)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.367	46.439	.000	4.258	54.223	.000	4.119	54.914	.000	4.228	89.801	.000
<i>LASSETS</i>	.123	15.531	.000	.135	20.023	.000	.142	21.680	.000	.134	33.142	.000
<i>PARTICIPANTS</i>	.019	1.899	.058	.024	2.694	.007	.008	.914	.361	.018	3.353	.001
<i>ROA</i>	-.209	-1.932	.053	-.832	-6.132	.000	-.563	-4.675	.000	-.575	-8.456	.000
<i>LCASH</i>	.000	.028	.977	.004	1.520	.129	-.002	-.635	.525	.001	.616	.538
<i>LPROPERTY</i>	.002	1.825	.068	-.001	-1.002	.317	.001	1.230	.219	.001	1.124	.261
<i>LSHARES</i>	.004	2.698	.007	.005	4.315	.000	.005	4.347	.000	.005	6.912	.000
<i>FOREIGN</i>	-.048	-2.016	.044	-.013	-.673	.501	.013	.648	.517	-.014	-1.136	.256
<i>LCONT</i>	.000	.058	.954	.000	.088	.930	-.000	-.209	.835	-.000	-.300	.764
<i>ARTWORK</i>	.188	3.809	.000	.184	4.087	.000	.180	4.176	.000	.183	6.969	.000
<i>BORROWING</i>	.040	.668	.505	.035	.671	.502	-.045	-1.237	.216	-.004	-.133	.894
<i>RESERVEACCTS</i>	.426	3.721	.000	.380	4.177	.000	-.044	-.764	.445	.198	4.070	.000
<i>INHOUSE</i>	.168	3.159	.002	.156	4.066	.000	.131	3.420	.001	.150	6.049	.000
<i>DISPOSAL</i>	.134	8.215	.000	.072	5.833	.000	.059	5.212	.000	.076	10.125	.000
<i>LOSSES</i>	.206	7.552	.000	.127	5.843	.000	.140	8.195	.000	.152	12.634	.000
<i>OPINION</i>	.151	3.707	.000	.123	3.834	.000	.016	.465	.642	.097	4.775	.000
<i>LAG</i>	.045	3.357	.001	.053	4.346	.000	.062	5.233	.000	.047	6.597	.000
<i>AG</i>	-.102	-.235	.814	.430	3.148	.002				.445	3.277	.001
<i>RCA</i>	.141	4.004	.000	.164	5.415	.000	.293	10.648	.000	.220	12.377	.000
<i>CPA_ICAA_IPA</i>	.042	1.381	.167	.086	3.188	.001	.232	9.739	.000	.145	9.264	.000
<i>LEADER_ALL</i>	.443	9.111	.000	-.346	-8.227	.000	-.551	-22.013	.000	-.356	-14.122	.000
<i>CPAAICAAIPA*LEADER_ALL</i>	-.363	-6.705	.000	.450	9.004	.000	.710	21.668	.000	.466	16.198	.000
F-statistic		38.652	.000		69.506	.000		121.008	.000		194.210	.000
Adjusted R ²		.089			.128			.174			.122	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards, *LEADER_ALL* = 1 if top ten leading auditor.

**Appendix W: Audit fee estimation of professional body premiums (split) for Australian SMSFs sample, 2008-2010
(Dependent variable is log of audit fees)**

	<u>Panel A (2008 year n=27,075)</u>			<u>Panel B (2009 year n=33,765)</u>			<u>Panel C (2010 year n=38,828)</u>			<u>Panel D (All years n=99,668)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.444	83.488	.000	4.389	93.813	.000	4.367	100.079	.000	4.402	161.525	.000
<i>LASSETS</i>	.121	26.551	.000	.129	31.734	.000	.137	35.598	.000	.130	54.774	.000
<i>PARTICIPANTS</i>	.012	1.954	.051	.025	4.944	.000	.017	3.566	.000	.019	6.139	.000
<i>ROA</i>	-.051	-.807	.420	-.540	-6.969	.000	-.501	-7.960	.000	-.404	-10.695	.000
<i>LCASH</i>	-.000	-.206	.837	.001	.509	.611	-.002	-1.010	.313	-.000	-.274	.784
<i>LPROPERTY</i>	.002	2.635	.008	.002	3.466	.001	.002	2.875	.004	.002	4.770	.000
<i>LSHARES</i>	.004	4.758	.000	.006	8.899	.000	.005	8.275	.000	.005	13.291	.000
<i>FOREIGN</i>	-.023	-1.578	.115	-.016	-1.280	.201	-.021	-1.867	.062	-.020	-2.729	.006
<i>LCONT</i>	.001	.912	.362	.001	1.046	.295	.001	.979	.327	.001	1.296	.195
<i>ARTWORK</i>	.143	5.191	.000	.154	6.284	.000	.115	5.165	.000	.137	9.689	.000
<i>BORROWING</i>	.021	.596	.551	-.064	-2.431	.015	-.100	-5.701	.000	-.062	-4.571	.000
<i>RESERVEACCTS</i>	.163	2.763	.006	.162	3.066	.002	.015	.474	.635	.095	3.705	.000
<i>INHOUSE</i>	.118	4.217	.000	.112	5.125	.000	.101	4.615	.000	.110	8.059	.000
<i>DISPOSAL</i>	.084	8.933	.000	.056	7.904	.000	.046	6.909	.000	.054	12.627	.000
<i>LOSSES</i>	.189	12.347	.000	.120	10.223	.000	.136	14.341	.000	.143	21.679	.000
<i>OPINION</i>	.094	4.641	.000	.119	6.767	.000	.072	4.437	.000	.094	9.136	.000
<i>LAG</i>	.048	6.287	.000	.058	8.101	.000	.064	9.743	.000	.052	12.782	.000
<i>AG</i>	.271	2.826	.005	.273	4.044	.000				.261	4.777	.000
<i>RCA</i>	.204	11.535	.000	.231	15.890	.000	.186	14.708	.000	.204	24.172	.000
<i>CPA</i>	.244	17.348	.000	.231	20.577	.000	.190	20.360	.000	.216	33.592	.000
<i>ICAA</i>	.070	4.838	.000	.099	8.597	.000	.077	8.014	.000	.080	12.055	.000
<i>ATMA</i>	.202	6.859	.000	-.104	-4.550	.000	-.315	-16.076	.000	-.150	-10.873	.000
<i>NTAA</i>	.012	.493	.622	-.017	-.810	.418	-.027	-1.487	.137	-.016	-1.298	.194
F-statistic		120.938	.000		187.071	.000		248.690	.000		517.718	.000
Adjusted R ²		.089			.108			.118			.102	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA* = 1 if auditor is a Certified Practising Accountant, *ICAA* = 1 if auditor is a Chartered Accountant, *ATMA* = 1 if auditor is a Fellow of the Association of Taxation and Management Accountants, *NTAA* = 1 if auditor is a Fellow of the National Taxation and Accountants' Association.

**Appendix X: Audit fee estimation of professional body premiums (split) for Australian SMSFs sample by state/territory, 2008-2010
(Dependent variable is log of audit fees)**

Appendix X.1: Audit fee estimation of professional body premiums (split) for ACT SMSFs sample, 2008-2010

	Panel A (2008 year n=298)			Panel B (2009 year n=388)			Panel C (2010 year n=433)			Panel D (All years n=1,119)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	5.401	6.837	.000	5.577	10.803	.000	4.821	11.573	.000	4.819	16.730	.000
<i>LASSETS</i>	.131	2.909	.004	.070	1.670	.096	.104	2.979	.003	.109	4.559	.000
<i>PARTICIPANTS</i>	.002	.029	.977	.019	.344	.731	.014	.353	.725	.013	.445	.656
<i>ROA</i>	-1.453	-1.946	.053	.046	.070	.944	.821	1.428	.154	-.163	-.402	.688
<i>LCASH</i>	-.020	-1.354	.177	-.017	-1.297	.196	-.009	-.676	.500	-.017	-2.015	.044
<i>LPROPERTY</i>	.009	1.078	.282	.015	1.689	.092	-.008	-1.122	.262	.005	1.039	.299
<i>LSHARES</i>	.006	.786	.433	.020	3.179	.002	.010	1.755	.080	.011	3.026	.003
<i>FOREIGN</i>	-.034	-.217	.829	-.166	-1.054	.292	-.097	-1.006	.315	-.094	-1.217	.224
<i>LCONT</i>	-.015	-1.344	.180	-.000	-.003	.998	-.007	-.971	.332	-.007	-1.369	.171
<i>ARTWORK</i>	.111	.509	.611	.129	.534	.594	.104	.475	.635	.057	.427	.670
<i>BORROWING</i>	-.047	-.145	.885	-.461	-4.363	.000	-.092	-.881	.379	-.231	-2.242	.025
<i>RESERVEACCTS</i>	.332	1.559	.120	-1.083	-4.887	.000	-.117	-.493	.623	-.180	-.790	.430
<i>INHOUSE</i>	-.227	-1.698	.091	.445	1.797	.073	.044	.199	.843	-.025	-.214	.831
<i>DISPOSAL</i>	.056	.557	.578	.007	.086	.932	-.142	-2.018	.044	-.063	-1.331	.184
<i>LOSSES</i>	.228	1.479	.140	.182	1.567	.118	.248	2.229	.026	.218	3.091	.002
<i>OPINION</i>	.034	.242	.809	.017	.085	.932	.736	2.110	.036	.173	1.411	.158
<i>LAG</i>	.028	.342	.732	-.037	-.488	.626	.006	.095	.924	.021	.516	.606
<i>AG</i>				-.679	-2.906	.004				-.339	-3.938	.000
<i>RCA</i>	.612	.955	.341	.644	2.467	.014	.741	4.281	.000	.968	7.693	.000
<i>CPA</i>	-.399	-.680	.497	.065	.368	.713	.565	8.092	.000	.466	8.554	.000
<i>ICAA</i>	-.599	-1.021	.308	-.264	-1.453	.147	.228	2.279	.023	.160	2.701	.007
<i>ATMA</i>												
<i>NTAA</i>	-.841	-1.439	.151	-.532	-3.178	.002	-.194	-2.385	.018	-.128	-2.507	.012
F-statistic		4.066	.000		5.269	.000		7.343	.000		12.891	.000
Adjusted R ²		.171			.188			.227			.183	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA* = 1 if auditor is a Certified Practising Accountant, *ICAA* = 1 if auditor is a Chartered Accountant, *ATMA* = 1 if auditor is a Fellow of the Association of Taxation and Management Accountants, *NTAA* = 1 if auditor is a Fellow of the National Taxation and Accountants' Association.

Appendix X.2: Audit fee estimation of professional body premiums (split) for NSW SMSFs sample, 2008-2010

	Panel A (2008 year n=8,105)			Panel B (2009 year n=10,073)			Panel C (2010 year n=11,483)			Panel D (All years n=29,661)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.408	41.080	.000	4.498	47.140	.000	4.435	51.503	.000	4.463	81.653	.000
<i>LASSETS</i>	.137	15.737	.000	.128	15.323	.000	.135	18.074	.000	.132	28.362	.000
<i>PARTICIPANTS</i>	-.009	-.795	.427	.030	3.045	.002	.026	2.824	.005	.018	3.000	.003
<i>ROA</i>	-.125	-.951	.342	-.457	-2.718	.007	-.659	-5.536	.000	-.397	-5.193	.000
<i>LCASH</i>	.005	1.548	.122	.000	.066	.948	.002	.528	.597	.002	1.106	.269
<i>LPROPERTY</i>	-.001	-.735	.462	.004	3.115	.002	.000	.368	.713	.001	1.440	.150
<i>LSHARES</i>	.005	3.440	.001	.008	6.297	.000	.007	5.449	.000	.007	8.999	.000
<i>FOREIGN</i>	.005	.156	.876	-.025	-.906	.365	-.047	-1.868	.062	-.023	-1.415	.157
<i>LCONT</i>	.002	1.118	.264	.001	.632	.527	.000	.044	.965	.001	1.077	.281
<i>ARTWORK</i>	.105	2.197	.028	.117	2.439	.015	.053	1.143	.253	.093	3.377	.001
<i>BORROWING</i>	.087	1.143	.253	-.057	-.993	.321	-.165	-4.843	.000	-.102	-3.671	.000
<i>RESERVEACCTS</i>	-.153	-1.448	.148	.023	.301	.764	.038	.635	.525	-.013	-.291	.771
<i>INHOUSE</i>	.060	1.128	.259	.133	3.149	.002	.111	2.862	.004	.104	4.097	.000
<i>DISPOSAL</i>	.105	5.550	.000	.065	4.411	.000	.070	5.330	.000	.076	8.828	.000
<i>LOSSES</i>	.189	6.439	.000	.110	4.643	.000	.093	4.930	.000	.119	9.154	.000
<i>OPINION</i>	.031	.765	.444	.099	2.786	.005	.058	2.012	.044	.065	3.258	.001
<i>LAG</i>	.058	3.740	.000	.067	4.567	.000	.060	4.488	.000	.061	7.445	.000
<i>AG</i>	.137	1.114	.265	.080	.537	.591				.120	1.245	.213
<i>RCA</i>	.066	1.672	.095	.181	5.797	.000	.200	7.349	.000	.156	8.526	.000
<i>CPA</i>	.192	5.834	.000	.215	8.697	.000	.197	9.485	.000	.202	13.914	.000
<i>ICAA</i>	.025	.711	.477	.061	2.278	.023	.056	2.487	.013	.049	3.092	.002
<i>ATMA</i>	-.067	-1.199	.230	-.090	-2.168	.030	-.016	-.462	.644	-.054	-2.227	.026
<i>NTAA</i>	-.099	-1.809	.071	-.096	-2.293	.022	-.124	-3.938	.000	-.110	-4.684	.000
F-statistic		37.555	.000		50.497	.000		61.602	.000		142.179	.000
Adjusted R ²		.090			.098			.100			.095	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA* = 1 if auditor is a Certified Practising Accountant, *ICAA* = 1 if auditor is a Chartered Accountant, *ATMA* = 1 if auditor is a Fellow of the Association of Taxation and Management Accountants, *NTAA* = 1 if auditor is a Fellow of the National Taxation and Accountants' Association.

Appendix X.3: Audit fee estimation of professional body premiums (split) for NT SMSFs sample, 2008-2010

	Panel A (2008 year n=51)			Panel B (2009 year n=58)			Panel C (2010 year n=71)			Panel D (All years n=180)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept										6.116	9.036	.000
<i>LASSETS</i>										.048	.877	.382
<i>PARTICIPANTS</i>										.098	1.430	.155
<i>ROA</i>										.473	.461	.645
<i>LCASH</i>										-.048	-1.550	.123
<i>LPROPERTY</i>										-.017	-1.679	.095
<i>LSHARES</i>										-.009	-.813	.417
<i>FOREIGN</i>										.115	.573	.567
<i>LCONT</i>										.013	1.032	.304
<i>ARTWORK</i>										-.885	-1.850	.066
<i>BORROWING</i>										-.138	-.851	.396
<i>RESERVEACCTS</i>										1.662	6.296	.000
<i>INHOUSE</i>										.106	.421	.674
<i>DISPOSAL</i>										.173	1.543	.125
<i>LOSSES</i>										.115	.877	.382
<i>OPINION</i>										.253	1.256	.211
<i>LAG</i>										.112	.998	.320
<i>AG</i>												
<i>RCA</i>										.170	.922	.358
<i>CPA</i>										.448	2.366	.019
<i>ICAA</i>										-.121	-.545	.587
<i>ATMA</i>												
<i>NTAA</i>												
F-statistic											2.796	.000
Adjusted R ²											.160	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA* = 1 if auditor is a Certified Practising Accountant, *ICAA* = 1 if auditor is a Chartered Accountant, *ATMA* = 1 if auditor is a Fellow of the Association of Taxation and Management Accountants, *NTAA* = 1 if auditor is a Fellow of the National Taxation and Accountants' Association.

Appendix X.4: Audit fee estimation of professional body premiums (split) for QLD SMSFs sample, 2008-2010

	Panel A (2008 year n=4,886)			Panel B (2009 year n=5,961)			Panel C (2010 year n=6,780)			Panel D (All years n=17,627)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.779	42.302	.000	4.578	43.573	.000	4.416	42.918	.000	4.583	74.718	.000
<i>LASSETS</i>	.095	9.309	.000	.115	13.229	.000	.138	14.779	.000	.118	21.782	.000
<i>PARTICIPANTS</i>	.021	1.607	.108	.017	1.336	.182	-.008	-.745	.457	.009	1.242	.214
<i>ROA</i>	.064	.469	.639	-.321	-2.052	.040	-.424	-2.723	.007	-.293	-3.527	.000
<i>LCASH</i>	-.008	-1.820	.069	.001	.276	.783	-.005	-1.357	.175	-.004	-1.652	.099
<i>LPROPERTY</i>	.005	2.732	.006	.002	1.409	.159	.001	1.076	.282	.003	2.871	.004
<i>LSHARES</i>	.006	4.023	.000	.004	2.456	.014	.004	3.075	.002	.005	5.616	.000
<i>FOREIGN</i>	.015	.431	.667	.025	.853	.394	-.010	-.392	.695	.008	.489	.625
<i>LCONT</i>	-.001	-.383	.702	-.001	-.681	.496	-.001	-.368	.713	-.001	-1.103	.270
<i>ARTWORK</i>	-.049	-.808	.419	.128	2.386	.017	.030	.686	.492	.045	1.508	.132
<i>BORROWING</i>	-.015	-.163	.870	-.037	-.632	.527	-.032	-.864	.388	-.020	-.655	.513
<i>RESERVEACCTS</i>	.155	1.178	.239	-.026	-.205	.838	-.009	-.137	.891	.029	.533	.594
<i>INHOUSE</i>	.201	3.475	.001	.056	1.224	.221	.087	1.728	.084	.108	3.673	.000
<i>DISPOSAL</i>	.065	3.178	.002	.063	3.906	.000	.056	3.685	.000	.056	5.817	.000
<i>LOSSES</i>	.154	4.387	.000	.124	4.743	.000	.146	6.780	.000	.141	9.476	.000
<i>OPINION</i>	.193	4.866	.000	.114	2.964	.003	.091	2.881	.004	.127	6.053	.000
<i>LAG</i>	.066	3.974	.000	.075	4.552	.000	.067	4.582	.000	.062	6.789	.000
<i>AG</i>	-.036	-.191	.848	.165	1.474	.141				.076	.788	.431
<i>RCA</i>	.106	2.692	.007	.122	3.589	.000	.126	4.082	.000	.123	6.165	.000
<i>CPA</i>	.186	5.887	.000	.172	6.594	.000	.128	5.825	.000	.162	10.623	.000
<i>ICAA</i>	.074	2.260	.024	.082	3.051	.002	.078	3.398	.001	.083	5.274	.000
<i>ATMA</i>	.273	4.810	.000	.141	2.449	.014	.181	3.148	.002	.194	5.754	.000
<i>NTAA</i>	.078	.940	.347	.021	.294	.769	.081	1.265	.206	.065	1.552	.121
F-statistic		20.388	.000		25.586	.000		32.004	.000		72.343	.000
Adjusted R ²		.080			.083			.088			.082	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA* = 1 if auditor is a Certified Practising Accountant, *ICAA* = 1 if auditor is a Chartered Accountant, *ATMA* = 1 if auditor is a Fellow of the Association of Taxation and Management Accountants, *NTAA* = 1 if auditor is a Fellow of the National Taxation and Accountants' Association.

Appendix X.5: Audit fee estimation of professional body premiums (split) for SA SMSFs sample, 2008-2010

	Panel A (2008 year n=1,738)			Panel B (2009 year n=2,342)			Panel C (2010 year n=2,807)			Panel D (All years n=6,887)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.267	23.834	.000	4.429	27.733	.000	4.577	31.938	.000	4.457	48.502	.000
<i>LASSETS</i>	.104	6.625	.000	.109	7.799	.000	.114	8.984	.000	.108	13.354	.000
<i>PARTICIPANTS</i>	.023	1.126	.261	.007	.418	.676	.015	.936	.349	.015	1.457	.145
<i>ROA</i>	.315	1.520	.129	-.403	-1.459	.145	-.414	-1.906	.057	-.244	-1.876	.061
<i>LCASH</i>	.012	1.815	.070	.002	.358	.721	-.004	-.793	.428	.003	1.034	.301
<i>LPROPERTY</i>	.006	2.165	.031	.008	3.219	.001	.003	1.526	.127	.006	4.093	.000
<i>LSHARES</i>	.006	2.064	.039	.009	3.939	.000	.006	3.044	.002	.007	5.171	.000
<i>FOREIGN</i>	-.032	-.726	.468	-.050	-1.150	.250	.001	.034	.973	-.019	-.848	.396
<i>LCONT</i>	-.001	-.358	.721	.001	.273	.785	.002	.762	.446	.000	.112	.911
<i>ARTWORK</i>	-.023	-.223	.823	.053	.544	.586	-.034	-.372	.710	-.013	-.241	.809
<i>BORROWING</i>	.033	.273	.785	-.235	-3.067	.002	.014	.214	.830	-.076	-1.596	.111
<i>RESERVEACCTS</i>	.037	.248	.804	.051	.432	.666	.170	1.475	.140	.120	1.634	.102
<i>INHOUSE</i>	.080	.602	.547	.088	1.211	.226	.010	.105	.917	.054	.972	.331
<i>DISPOSAL</i>	.083	2.571	.010	.068	2.810	.005	.041	1.840	.066	.060	4.124	.000
<i>LOSSES</i>	.237	4.006	.000	.096	2.291	.022	.127	3.844	.000	.143	6.009	.000
<i>OPINION</i>	.020	.266	.790	.117	2.051	.040	-.085	-1.363	.173	.029	.772	.440
<i>LAG</i>	.114	4.444	.000	.073	3.162	.002	.078	3.624	.000	.078	5.862	.000
<i>AG</i>	.955	4.532	.000	.462	6.014	.000				.548	6.060	.000
<i>RCA</i>	.554	9.932	.000	.632	11.707	.000	.257	6.666	.000	.451	16.060	.000
<i>CPA</i>	.394	13.514	.000	.398	16.464	.000	.248	11.481	.000	.337	23.742	.000
<i>ICAA</i>	.255	7.054	.000	.240	7.529	.000	.090	3.327	.001	.184	10.181	.000
<i>ATMA</i>	.687	5.525	.000	.154	1.258	.209	.110	1.179	.239	.210	2.935	.003
<i>NTAA</i>	.140	1.290	.197	.006	.068	.946	-.113	-1.275	.202	-.008	-.139	.889
F-statistic		18.783	.000		27.966	.000		18.559	.000		58.835	.000
Adjusted R ²		.184			.202			.116			.156	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA* = 1 if auditor is a Certified Practising Accountant, *ICAA* = 1 if auditor is a Chartered Accountant, *ATMA* = 1 if auditor is a Fellow of the Association of Taxation and Management Accountants, *NTAA* = 1 if auditor is a Fellow of the National Taxation and Accountants' Association.

Appendix X.6: Audit fee estimation of professional body premiums (split) for TAS SMSFs sample, 2008-2010

	Panel A (2008 year n=396)			Panel B (2009 year n=458)			Panel C (2010 year n=599)			Panel D (All years n=1,453)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
<i>LASSETS</i>	.208	6.640	.000	.156	5.938	.000	.127	3.825	.000	.155	8.079	.000
<i>PARTICIPANTS</i>	-.047	-1.139	.255	-.055	-1.113	.267	.008	.219	.827	-.029	-1.152	.250
<i>ROA</i>	-.179	-.348	.728	-.971	-2.308	.022	-.182	-3.309	.757	-.590	-1.788	.074
<i>LCASH</i>	-.005	-.440	.660	.003	.251	.802	.010	.826	.409	.005	.641	.522
<i>LPROPERTY</i>	-.003	-.565	.573	.002	.408	.683	.009	2.077	.038	.003	1.229	.219
<i>LSHARES</i>	.013	2.353	.019	.008	1.528	.127	.002	.519	.604	.008	2.866	.004
<i>FOREIGN</i>	-.041	-.457	.648	.077	.956	.340	-.005	-.063	.950	.005	.101	.920
<i>LCONT</i>	.003	.451	.652	-.003	-.607	.544	.003	.737	.462	.002	.558	.577
<i>ARTWORK</i>	.194	.802	.423	.205	1.276	.203	.116	.807	.420	.154	1.418	.156
<i>BORROWING</i>	.368	1.692	.092	-.319	-.811	.418	-.279	-1.912	.056	-.205	-1.573	.116
<i>RESERVEACCTS</i>	.194	1.219	.224	-.422	-.837	.403	-.225	-1.726	.085	-.093	-.512	.609
<i>INHOUSE</i>	.434	1.697	.091	.387	3.015	.003	.225	1.503	.133	.293	3.016	.003
<i>DISPOSAL</i>	.025	.380	.704	.150	2.641	.009	.103	2.049	.041	.084	2.558	.011
<i>LOSSES</i>	.389	3.953	.000	.122	1.306	.192	.182	2.351	.019	.205	3.918	.000
<i>OPINION</i>	-.345	-1.956	.051	-.143	-.447	.655	.142	1.130	.259	-.040	-.370	.711
<i>LAG</i>	.081	1.470	.142	.176	3.666	.000	.098	2.019	.044	.110	3.766	.000
<i>AG</i>												
<i>RCA</i>	.282	2.176	.030	.404	3.655	.004	.525	5.937	.000	.466	7.374	.000
<i>CPA</i>	.473	4.602	.000	.252	2.862	.020	.349	5.230	.000	.377	7.654	.000
<i>ICAA</i>	.292	2.377	.018	.131	1.279	.715	.112	1.449	.148	.188	3.355	.001
<i>ATMA</i>	.612	4.847	.000				.045	.156	.876	.133	.553	.580
<i>NTAA</i>	.242	.960	.338	-.066	-.366	6.400	.079	.396	.692	.105	.807	.420
F-statistic		6.523	.000		8.022	.000		7.355	.000		18.508	.000
Adjusted R ²		.227			.235			.182			.202	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA* = 1 if auditor is a Certified Practising Accountant, *ICAA* = 1 if auditor is a Chartered Accountant, *ATMA* = 1 if auditor is a Fellow of the Association of Taxation and Management Accountants, *NTAA* = 1 if auditor is a Fellow of the National Taxation and Accountants' Association.

Appendix X.7: Audit fee estimation of professional body premiums (split) for VIC SMSFs sample, 2008-2010

	Panel A (2008 year n=8,069)			Panel B (2009 year n=9,818)			Panel C (2010 year n=11,433)			Panel D (All years n=29,320)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.434	48.100	.000	4.326	56.049	.000	4.358	57.442	.000	4.370	93.737	.000
<i>LASSETS</i>	.119	15.072	.000	.136	20.156	.000	.137	20.818	.000	.133	32.657	.000
<i>PARTICIPANTS</i>	.021	2.048	.041	.023	2.643	.008	.010	1.230	.219	.019	3.535	.000
<i>ROA</i>	-.216	-2.006	.045	-.847	-6.236	.000	-.514	-4.274	.000	-.564	-8.276	.000
<i>LCASH</i>	.000	.012	.991	.004	1.484	.138	-.001	-.327	.744	.001	.674	.500
<i>LPROPERTY</i>	.003	2.057	.040	-.001	-1.031	.303	.001	1.197	.231	.001	1.086	.277
<i>LSHARES</i>	.004	2.683	.007	.005	4.270	.000	.004	4.126	.000	.005	6.693	.000
<i>FOREIGN</i>	-.052	-2.187	.029	-.013	-.652	.514	.007	.359	.719	-.017	-1.363	.173
<i>LCONT</i>	.000	.053	.958	.000	.134	.893	-.000	-.080	.936	-.000	-.219	.827
<i>ARTWORK</i>	.182	3.660	.000	.189	4.183	.000	.178	4.107	.000	.188	7.128	.000
<i>BORROWING</i>	.028	.465	.642	.028	.533	.594	-.052	-1.431	.152	-.009	-.345	.730
<i>RESERVEACCTS</i>	.430	3.835	.000	.381	4.226	.000	-.057	-.978	.328	.197	4.064	.000
<i>INHOUSE</i>	.162	3.039	.002	.157	4.088	.000	.125	3.303	.001	.148	5.987	.000
<i>DISPOSAL</i>	.133	8.164	.000	.071	5.780	.000	.066	5.823	.000	.078	10.395	.000
<i>LOSSES</i>	.201	7.356	.000	.126	5.754	.000	.142	8.315	.000	.152	12.607	.000
<i>OPINION</i>	.153	3.730	.000	.124	3.829	.000	.003	.093	.926	.093	4.556	.000
<i>LAG</i>	.044	3.302	.001	.053	4.317	.000	.061	5.164	.000	.047	6.521	.000
<i>AG</i>	-.121	-.279	.781	.352	2.604	.009				.324	2.395	.017
<i>RCA</i>	.125	3.986	.000	.086	3.588	.000	.104	4.662	.000	.099	6.799	.000
<i>CPA</i>	.080	2.925	.004	.036	1.718	.086	.081	4.317	.000	.063	4.998	.000
<i>ICAA</i>	-.016	-.607	.544	-.007	-.362	.717	.030	1.645	.100	.000	.026	.979
<i>ATMA</i>	.257	5.402	.000	-.294	-8.463	.000	-.580	-22.019	.000	-.372	-18.160	.000
<i>NTAA</i>	-.059	-1.418	.156	-.041	-1.151	.250	.033	.947	.343	-.023	-1.072	.284
F-statistic		38.480	.000		64.863	.000		119.055	.000		187.885	.000
Adjusted R ²		.093			.125			.178			.123	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA* = 1 if auditor is a Certified Practising Accountant, *ICAA* = 1 if auditor is a Chartered Accountant, *ATMA* = 1 if auditor is a Fellow of the Association of Taxation and Management Accountants, *NTAA* = 1 if auditor is a Fellow of the National Taxation and Accountants' Association.

Appendix X.8: Audit fee estimation of professional body premiums (split) for WA SMSFs sample, 2008-2010

	Panel A (2008 year n=3,532)			Panel B (2009 year n=4,667)			Panel C (2010 year n=5,222)			Panel D (All years n=13,421)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.439	31.161	.000	4.284	35.326	.000	4.527	43.186	.000	4.437	64.065	.000
<i>LASSETS</i>	.127	10.026	.000	.141	13.760	.000	.131	13.833	.000	.135	21.959	.000
<i>PARTICIPANTS</i>	.011	.749	.454	.034	2.690	.007	.034	2.892	.004	.028	3.729	.000
<i>ROA</i>	.251	1.535	.125	-.515	-2.704	.007	-.486	-3.733	.000	-.357	-3.978	.000
<i>LCASH</i>	-.003	-.566	.572	-.008	-1.766	.077	-.004	-.846	.398	-.005	-1.717	.086
<i>LPROPERTY</i>	.006	3.129	.002	.005	2.856	.004	.007	4.112	.000	.006	5.476	.000
<i>LSHARES</i>	.003	1.238	.216	.007	3.869	.000	.007	3.930	.000	.006	5.511	.000
<i>FOREIGN</i>	.074	1.812	.070	.049	1.508	.132	-.000	-.015	.988	.037	1.874	.061
<i>LCONT</i>	.000	.107	.915	-.001	-.308	.758	.001	.754	.451	-.000	-.127	.899
<i>ARTWORK</i>	.303	4.040	.000	.135	2.717	.007	.172	3.670	.000	.200	6.341	.000
<i>BORROWING</i>	-.045	-.672	.502	-.082	-1.896	.058	-.120	-3.184	.002	-.084	-3.181	.002
<i>RESERVEACCTS</i>	.279	1.559	.119	.174	.753	.452	.164	1.956	.051	.201	2.112	.035
<i>INHOUSE</i>	.080	1.171	.242	.069	1.017	.309	.099	1.445	.148	.084	2.096	.036
<i>DISPOSAL</i>	.026	1.032	.302	.068	3.831	.000	.049	2.871	.004	.042	3.834	.000
<i>LOSSES</i>	.163	4.398	.000	.104	3.962	.000	.137	6.071	.000	.140	9.087	.000
<i>OPINION</i>	.043	.945	.345	.119	2.938	.003	.110	2.537	.011	.084	3.293	.001
<i>LAG</i>	-.013	-.670	.503	.037	2.136	.033	.060	3.553	.000	.016	1.563	.118
<i>AG</i>	.293	2.631	.009	.522	.963	.336				.257	1.423	.155
<i>RCA</i>	.260	4.743	.000	.241	5.097	.000	.073	1.915	.056	.163	6.229	.000
<i>CPA</i>	.218	5.115	.000	.256	6.563	.000	.084	2.912	.004	.160	7.720	.000
<i>ICAA</i>	.068	1.583	.114	.154	3.941	.000	.023	.777	.437	.060	2.870	.004
<i>ATMA</i>	-.164	-1.058	.290	.042	.586	.558	-.291	-5.720	.000	-.170	-3.307	.001
<i>NTAA</i>	.084	1.302	.193	.027	.428	.669	-.185	-3.912	.000	-.064	-1.963	.050
F-statistic		19.401	.000		30.147	.000		34.148	.000		76.292	.000
Adjusted R ²		.103			.121			.118			.110	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA* = 1 if auditor is a Certified Practising Accountant, *ICAA* = 1 if auditor is a Chartered Accountant, *ATMA* = 1 if auditor is a Fellow of the Association of Taxation and Management Accountants, *NTAA* = 1 if auditor is a Fellow of the National Taxation and Accountants' Association.

**Appendix Y: Audit fee estimation of professional body premiums for SMSFs sample partitioned by total assets (median), 2008-2010
(Dependent variable is log of audit fees)**

Appendix Y.1: Audit fee estimation of professional body premiums for Australian SMSFs sample less than total assets (median), 2008-2010

	Panel A (2008 year n=13,537)			Panel B (2009 year n=16,883)			Panel C (2010 year n=19,414)			Panel D (All years n=49,834)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.648	45.932	.000	4.278	48.741	.000	4.152	51.380	.000	4.307	84.647	.000
<i>LASSETS</i>	.114	13.243	.000	.135	17.421	.000	.140	19.137	.000	.132	29.373	.000
<i>PARTICIPANTS</i>	.005	.547	.585	.014	1.978	.048	.012	1.738	.082	.010	2.275	.023
<i>ROA</i>	-.124	-1.494	.135	-.606	-5.988	.000	-.547	-6.990	.000	-.450	-9.259	.000
<i>LCASH</i>	.002	.574	.566	.001	.574	.566	-.002	-.891	.373	-.000	-.100	.920
<i>LPROPERTY</i>	.000	.129	.897	.000	.366	.714	-.000	-.187	.851	-.000	-.212	.832
<i>LSHARES</i>	.003	2.254	.024	.005	4.905	.000	.005	5.113	.000	.004	7.477	.000
<i>FOREIGN</i>	.016	.633	.527	.001	.066	.948	-.006	-.345	.730	.006	.527	.598
<i>LCONT</i>	-.000	-.309	.757	-.001	-1.263	.207	-.001	-.920	.358	-.001	-1.610	.107
<i>ARTWORK</i>	.104	2.594	.010	.136	4.236	.000	.112	3.528	.000	.123	6.197	.000
<i>BORROWING</i>	.059	1.064	.287	-.134	-3.561	.000	-.111	-3.732	.000	-.089	-4.084	.000
<i>RESERVEACCTS</i>	.070	.636	.525	.052	.632	.527	-.054	-1.135	.256	.004	.104	.917
<i>INHOUSE</i>	.116	2.648	.008	.161	4.880	.000	.116	3.510	.000	.135	6.489	.000
<i>DISPOSAL</i>	.093	7.426	.000	.059	6.205	.000	.054	5.894	.000	.062	10.620	.000
<i>LOSSES</i>	.191	10.688	.000	.118	8.611	.000	.150	13.251	.000	.148	19.099	.000
<i>OPINION</i>	.123	4.522	.000	.082	3.494	.001	.102	4.445	.000	.099	7.051	.000
<i>LAG</i>	.052	4.870	.000	.062	6.288	.000	.071	7.709	.000	.059	10.468	.000
<i>AG</i>	.148	1.350	.177	.359	4.366	.000				.348	5.274	.000
<i>RCA</i>	.097	3.457	.001	.287	12.878	.000	.360	17.666	.000	.288	21.624	.000
<i>CPA_ICAA_IPA</i>	.040	1.706	.088	.237	13.340	.000	.326	21.101	.000	.240	22.759	.000
F-statistic		29.564	.000		58.178	.000		96.762	.000		166.305	.000
Adjusted R ²		.039			.060			.082			.059	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix Y.2: Audit fee estimation of professional body premiums for Australian SMSFs sample greater than total assets (median), 2008-2010

	Panel A (2008 year n=13,537)			Panel B (2009 year n=16,883)			Panel C (2010 year n=19,414)			Panel D (All years n=49,834)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	3.687	26.595	.000	3.740	32.109	.000	3.837	36.420	.000	3.797	55.766	.000
<i>LASSETS</i>	.181	17.136	.000	.172	19.263	.000	.170	20.858	.000	.171	32.724	.000
<i>PARTICIPANTS</i>	.010	1.189	.234	.030	4.063	.000	.015	2.194	.028	.020	4.730	.000
<i>ROA</i>	.205	1.996	.046	-.392	-3.145	.002	-.437	-4.010	.000	-.277	-4.486	.000
<i>LCASH</i>	-.005	-1.805	.071	-.000	-.115	.908	-.003	-1.155	.248	-.002	-1.262	.207
<i>LPROPERTY</i>	.002	2.183	.029	.002	2.873	.004	.002	2.650	.008	.002	4.240	.000
<i>LSHARES</i>	.005	3.966	.000	.007	7.223	.000	.005	6.198	.000	.006	10.512	.000
<i>FOREIGN</i>	-.051	-2.698	.007	-.027	-1.576	.115	-.032	-2.177	.030	-.039	-3.965	.000
<i>LCONT</i>	.003	1.983	.047	.003	3.084	.002	.003	2.703	.007	.003	4.094	.000
<i>ARTWORK</i>	.181	4.716	.000	.160	4.301	.000	.120	3.785	.000	.146	7.196	.000
<i>BORROWING</i>	.006	.136	.892	-.015	-.411	.681	-.081	-3.669	.000	-.040	-2.279	.023
<i>RESERVEACCTS</i>	.183	2.543	.011	.196	2.951	.003	.018	.479	.632	.113	3.598	.000
<i>INHOUSE</i>	.115	3.145	.002	.085	2.805	.005	.091	3.068	.002	.096	5.207	.000
<i>DISPOSAL</i>	.073	4.951	.000	.058	5.326	.000	.039	4.049	.000	.049	7.587	.000
<i>LOSSES</i>	.126	3.675	.000	.116	4.579	.000	.082	4.290	.000	.107	7.672	.000
<i>OPINION</i>	.049	1.648	.100	.148	5.434	.000	.028	1.170	.242	.078	4.976	.000
<i>LAG</i>	.049	4.405	.000	.052	4.969	.000	.060	6.298	.000	.047	7.885	.000
<i>AG</i>	.253	1.321	.186	.285	2.550	.011				.303	3.232	.001
<i>RCA</i>	.162	5.205	.000	.272	9.949	.000	.282	12.543	.000	.244	16.059	.000
<i>CPA_ICAA_IPA</i>	.127	4.786	.000	.184	7.889	.000	.204	10.873	.000	.177	13.815	.000
F-statistic		35.038	.000		59.451	.000		63.522	.000		145.769	.000
Adjusted R ²		.046			.062			.055			.052	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

**Appendix Z: Non-audit services (NAS) fee estimation for industry leaders for SMSFs sample by state/territory, 2008-10
(Dependent variable is log of non-audit fees)**

Appendix Z.1: Non-audit services (NAS) fee estimation for industry leaders for QLD SMSFs sample, 2008-2010

	Panel A (2008 year n=648)			Panel B (2009 year n=718)			Panel C (2010 year n=666)			Panel D (All years n=2,032)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	1.126	2.542	.011							1.431	3.740	.000
<i>LASSETS</i>	.177	6.042	.000							.239	9.724	.000
<i>PARTICIPANTS</i>	.028	.851	.395							.015	.482	.630
<i>ROA</i>	-.921	-2.375	.018							-.508	-1.499	.134
<i>LCASH</i>	-.012	-1.175	.240							.001	.059	.953
<i>LPROPERTY</i>	.005	1.146	.252							.008	2.105	.035
<i>LSHARES</i>	.002	.382	.703							.004	.950	.342
<i>FOREIGN</i>	.164	2.309	.021							.229	3.745	.000
<i>LCONT</i>	-.003	-.547	.585							-.001	-.226	.821
<i>ARTWORK</i>	.150	1.303	.193							-.030	-.212	.832
<i>BORROWING</i>	.070	.525	.600							.139	.914	.361
<i>RESERVEACCTS</i>	.449	3.252	.001							.302	3.050	.002
<i>INHOUSE</i>	-.281	-2.148	.032							-.001	-.007	.994
<i>DISPOSAL</i>	.152	2.467	.014							.284	6.102	.000
<i>LOSSES</i>	.147	1.701	.089							.420	6.442	.000
<i>OPINION</i>	-.159	-1.251	.211							.100	1.189	.235
<i>LAG</i>	-.060	-1.266	.206							-.008	-.200	.842
<i>LAF</i>	-.045	-.830	.407							-.301	-6.269	.000
<i>LEADER_ALL</i>	1.012	6.346	.000							.744	4.896	.000
F-statistic		6.804	.000								18.701	.000
Adjusted R ²		.139									.136	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LAF* = natural log of audit fees paid, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix Z.2: Non-audit services (NAS) fee estimation for industry leaders for VIC SMSFs sample, 2008-2010

	Panel A (2008 year n=681)			Panel B (2009 year n=816)			Panel C (2010 year n=789)			Panel D (All years n=2,286)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept				.822	1.541	.124	1.161	2.071	.039	.899	3.020	.003
<i>LASSETS</i>				.311	7.959	.000	.184	4.426	.000	.198	9.023	.000
<i>PARTICIPANTS</i>				.007	.147	.883	.016	.296	.767	.010	.384	.701
<i>ROA</i>				-1.934	-3.015	.003	-1.486	-2.163	.031	-.987	-3.441	.001
<i>LCASH</i>				-.026	-1.923	.055	-.015	-.824	.410	-.019	-2.076	.038
<i>LPROPERTY</i>				-.003	-.463	.644	.002	.332	.740	.002	.533	.594
<i>LSHARES</i>				-.004	-.599	.549	-.001	-.222	.824	-.003	-.791	.429
<i>FOREIGN</i>				.331	3.400	.001	.140	1.340	.181	.204	3.783	.000
<i>LCONT</i>				.004	.507	.612	.009	1.145	.253	.008	2.071	.039
<i>ARTWORK</i>				-.128	-.767	.443	-.360	-1.536	.125	-.171	-1.599	.110
<i>BORROWING</i>				-.022	-.135	.893	.040	.173	.863	-.023	-.149	.882
<i>RESERVEACCTS</i>				.124	.711	.477	-1.265	-2.237	.026	-.317	-1.023	.306
<i>INHOUSE</i>				.354	1.743	.082	-.223	-.799	.425	.089	.727	.467
<i>DISPOSAL</i>				.154	2.242	.025	.248	3.376	.001	.294	7.301	.000
<i>LOSSES</i>				.326	3.098	.002	.066	.602	.548	.182	2.949	.003
<i>OPINION</i>				-.032	-.225	.822	.091	.475	.635	-.024	-.248	.804
<i>LAG</i>				-.008	-.121	.904	-.024	-.319	.750	.025	.663	.507
<i>LAF</i>				-.262	-3.803	.000	-.101	-1.552	.121	-.081	-2.165	.031
<i>LEADER_ALL</i>				-.044	-.266	.790	.590	3.615	.000	.159	.411	.681
F-statistic					6.669	.000		3.941	.000		13.589	.000
Adjusted R ²					.111			.063			.090	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LAF* = natural log of audit fees paid, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix Z.3: Non-audit services (NAS) fee estimation for industry leaders for WA SMSFs sample, 2008-2010

	Panel A (2008 year n=466)			Panel B (2009 year n=686)			Panel C (2010 year n=678)			Panel D (All years n=1,830)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	.045	.082	.935	1.230	1.908	.057	3.297	5.373	.000	1.908	5.066	.000
<i>LASSETS</i>	.258	7.602	.000	.396	8.001	.000	.275	6.420	.000	.305	11.514	.000
<i>PARTICIPANTS</i>	.024	.601	.548	.054	.922	.357	-.002	-.042	.966	.017	.527	.598
<i>ROA</i>	-1.128	-2.182	.030	-1.860	-2.162	.031	-1.993	-2.853	.005	-1.049	-2.736	.006
<i>LCASH</i>	.001	.030	.976	-.047	-2.391	.017	-.013	-.577	.564	-.026	-2.085	.037
<i>LPROPERTY</i>	-.017	-2.467	.014	.000	.044	.965	.011	1.365	.173	.001	.276	.783
<i>LSHARES</i>	-.001	-.210	.834	-.008	-1.217	.224	-.001	-.156	.876	-.005	-1.295	.196
<i>FOREIGN</i>	.144	1.121	.263	.281	1.853	.064	.159	.735	.463	.262	2.420	.016
<i>LCONT</i>	-.012	-2.531	.012	-.004	-.621	.535	.003	.353	.724	-.002	-.469	.639
<i>ARTWORK</i>	-.180	-.690	.491	.036	.201	.841	.208	1.210	.227	.069	.571	.568
<i>BORROWING</i>	.190	1.055	.292	.100	.173	.863	-.289	-.944	.346	.026	.106	.915
<i>RESERVEACCTS</i>	1.004	5.217	.000	.417	.520	.603	.474	1.590	.112	.552	1.571	.116
<i>INHOUSE</i>	.094	.520	.603	.721	3.541	.000	.543	2.000	.046	.328	2.518	.012
<i>DISPOSAL</i>	.270	3.324	.001	.335	4.055	.000	.412	4.807	.000	.368	7.282	.000
<i>LOSSES</i>	.139	1.457	.146	.296	2.727	.007	.102	.896	.370	.189	2.842	.005
<i>OPINION</i>	.072	.567	.571	.326	1.364	.173	-.006	-.052	.959	.107	1.140	.254
<i>LAG</i>	-.018	-.307	.759	-.016	-.221	.825	.006	.077	.939	.036	.918	.359
<i>LAF</i>	-.044	-.587	.557	-.471	-5.796	.000	-.628	-7.731	.000	-.434	-9.002	.000
<i>LEADER_ALL</i>	.579	8.020	.000	.443	5.651	.000	.423	5.024	.000	.489	10.962	.000
F-statistic		21.982	.000		19.707	.000		28.050	.000		60.110	.000
Adjusted R ²		.448			.330			.418			.368	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LAF* = natural log of audit fees paid, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix AA: Non-audit services (NAS) fee estimation for industry leaders for Australian SMSFs sample, 2008-10
(Dependent variable is log of non-audit fees)

	<u>Panel A (2008 year n=3,154)</u>			<u>Panel B (2009 year n=4,013)</u>			<u>Panel C (2010 year n=3,849)</u>			<u>Panel D (All years n=11,016)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	.621	3.292	.001	1.570	5.812	.000	1.539	5.614	.000	1.318	8.985	.000
<i>LASSETS</i>	.192	13.868	.000	.276	13.002	.000	.259	12.564	.000	.245	22.146	.000
<i>PARTICIPANTS</i>	.037	2.236	.025	.030	1.221	.222	.015	.587	.557	.023	1.725	.085
<i>ROA</i>	-.774	-4.187	.000	-1.085	-3.134	.002	-1.689	-4.974	.000	-.788	-5.046	.000
<i>LCASH</i>	-.015	-2.700	.007	-.020	-2.281	.023	-.011	-1.207	.228	-.017	-3.718	.000
<i>LPROPERTY</i>	-.000	-.156	.876	.003	.850	.396	.009	2.401	.016	.005	2.387	.017
<i>LSHARES</i>	-.000	-.192	.848	.004	1.094	.274	.004	1.056	.291	.001	.579	.563
<i>FOREIGN</i>	.170	4.547	.000	.350	6.959	.000	.267	4.529	.000	.280	9.471	.000
<i>LCONT</i>	.001	.424	.671	.005	1.208	.227	-.001	-.239	.811	.002	.918	.359
<i>ARTWORK</i>	.029	.437	.662	.046	.534	.593	-.036	-.387	.698	.013	.268	.789
<i>BORROWING</i>	.097	1.294	.196	-.020	-.130	.897	.231	2.181	.029	.103	1.459	.145
<i>RESERVEACCTS</i>	.151	1.028	.304	.274	1.263	.207	.170	.998	.319	.204	1.834	.067
<i>INHOUSE</i>	.011	.163	.871	.272	2.532	.011	.083	.710	.478	.124	2.160	.031
<i>DISPOSAL</i>	.233	7.908	.000	.294	8.413	.000	.273	7.400	.000	.304	14.899	.000
<i>LOSSES</i>	.155	3.678	.000	.354	6.579	.000	.237	4.592	.000	.266	8.850	.000
<i>BREACH</i>	-.070	-1.813	.070	-.048	-.772	.440	.054	.786	.432	-.003	-.105	.916
<i>LAG</i>	.015	.642	.521	-.001	-.042	.967	.051	1.359	.174	.047	2.482	.013
<i>LAF</i>	-.019	-.795	.427	-.373	-12.276	.000	-.345	-9.917	.000	-.267	-14.935	.000
<i>LEADER_ALL</i>	.733	21.691	.000	.655	21.156	.000	.725	20.506	.000	.700	38.018	.000
F-statistic		44.194	.000		47.972	.000		44.233	.000		123.481	.000
Adjusted R ²		.198			.174			.168			.167	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *BREACH* = 1 if breach reported, *LAG* = 1 if audit completed after the lodgement due date, *LAF* = natural log of audit fees paid, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix AB: Audit fee estimation of industry leader premiums for Australian SMSFs sample, 2008-10
(Dependent variable is log of audit fees)

	Panel A (2008 year n=3,154)			Panel B (2009 year n=4,013)			Panel C (2010 year n=3,849)			Panel D (All years n=11,016)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.353	27.066	.000	4.736	32.280	.000	4.273	27.585	.000	4.489	51.065	.000
<i>LASSETS</i>	.0169	11.255	.000	.156	11.560	.000	.199	13.400	.000	.180	21.768	.000
<i>PARTICIPANTS</i>	.017	.886	.376	.049	3.257	.001	.036	2.194	.028	.036	3.775	.000
<i>ROA</i>	-.236	-1.214	.225	-.138	-.557	.577	-1.171	-4.802	.000	-.559	-4.427	.000
<i>LCASH</i>	-.012	-1.838	.066	-.003	-.664	.506	-.007	-.916	.360	-.008	-2.075	.038
<i>LPROPERTY</i>	.000	.188	.851	.002	1.102	.270	.002	.698	.485	.001	.927	.354
<i>LSHARES</i>	.003	1.072	.284	.009	4.574	.000	.009	3.909	.000	.007	5.642	.000
<i>FOREIGN</i>	.081	1.471	.141	.011	.212	.832	-.059	-1.370	.171	.011	.396	.692
<i>LCONT</i>	-.003	-1.095	.274	.001	.616	.538	.001	.245	.807	-.000	-.249	.803
<i>ARTWORK</i>	.050	.626	.532	.173	2.483	.013	-.004	-.074	.941	.083	2.048	.041
<i>BORROWING</i>	-.107	-.841	.400	.105	.996	.319	-.046	-.584	.559	-.006	-.101	.920
<i>RESERVEACCTS</i>	.294	1.561	.119	.115	.659	.510	-.049	-.348	.728	.085	.876	.381
<i>INHOUSE</i>	.069	.987	.324	.111	1.481	.139	-.066	-.847	.397	.027	.618	.537
<i>DISPOSAL</i>	.117	3.900	.000	.113	5.036	.000	.102	4.240	.000	.109	7.571	.000
<i>LOSSES</i>	.152	3.243	.001	.186	5.028	.000	.169	4.714	.000	.170	7.576	.000
<i>OPINION</i>	.137	2.076	.038	-.012	-.230	.818	.135	2.683	.007	.080	2.584	.010
<i>LAG</i>	.040	1.615	.107	.014	.636	.525	.030	1.217	.224	.022	1.632	.103
<i>LNAF</i>	-.021	-.820	.413	-.144	-13.277	.000	-.139	-11.437	.000	-.130	-16.440	.000
<i>LEADER_ALL</i>	-.597	-17.544	.000	-.551	-26.545	.000	-.565	-23.275	.000	-.546	-39.115	.000
F-statistic		21.854	.000		44.255	.000		46.237	.000		105.695	.000
Adjusted R ²		.106			.163			.175			.146	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LNAF* = natural log of non-audit fees paid, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix AC: Non-audit services (NAS) fee estimation (split) for industry leaders for Australian SMSFs sample, 2008-10
(Dependent variable is log of non-audit fees)

	<u>Panel A (2008 year n=3,154)</u>			<u>Panel B (2009 year n=4,013)</u>			<u>Panel C (2010 year n=3,849)</u>			<u>Panel D (All years n=11,016)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	.636	3.362	.001	1.579	5.841	.000	1.532	5.584	.000	1.320	8.993	.000
<i>LASSETS</i>	.190	13.699	.000	.274	12.941	.000	.260	12.596	.000	.245	22.116	.000
<i>PARTICIPANTS</i>	.037	2.198	.028	.030	1.207	.228	.015	.607	.544	.023	1.714	.087
<i>ROA</i>	-.786	-4.260	.000	-1.087	-3.138	.002	-1.684	-4.965	.000	-.789	-5.058	.000
<i>LCASH</i>	-.014	-2.556	.011	-.019	-2.237	.025	-.011	-1.234	.217	-.017	-3.735	.000
<i>LPROPERTY</i>	-.000	-.051	.959	.003	.883	.377	.009	2.382	.017	.005	2.401	.016
<i>LSHARES</i>	-.000	-.162	.872	.004	1.132	.258	.003	1.020	.308	.001	.571	.568
<i>FOREIGN</i>	.173	4.606	.000	.351	6.991	.000	.267	4.524	.000	.280	9.470	.000
<i>LCONT</i>	.001	.412	.681	.005	1.206	.228	-.001	-.237	.812	.002	.921	.357
<i>ARTWORK</i>	.025	.379	.705	.046	.528	.597	-.036	-.385	.700	.013	.262	.793
<i>BORROWING</i>	.093	1.228	.219	-.023	-.150	.881	.231	2.182	.029	.103	1.461	.144
<i>RESERVEACCTS</i>	.141	.986	.324	.272	1.258	.209	.180	1.050	.294	.204	1.834	.067
<i>INHOUSE</i>	-.008	-.117	.907	.257	2.438	.015	.102	.931	.352	.127	2.291	.022
<i>DISPOSAL</i>	.237	8.000	.000	.296	8.492	.000	.272	7.366	.000	.304	14.912	.000
<i>LOSSES</i>	.151	3.595	.000	.353	6.553	.000	.238	4.612	.000	.266	8.852	.000
<i>OPINION</i>	-.014	-.219	.827	-.017	-.226	.821	.029	.383	.702	-.009	-.202	.840
<i>LAG</i>	.015	.647	.518	-.002	-.063	.950	.051	1.366	.172	.047	2.481	.013
<i>LAF</i>	-.020	-.849	.396	-.373	-12.272	.000	-.345	-9.914	.000	-.267	-14.939	.000
<i>LEADER_1</i>												
<i>LEADER_OTHER</i>	.737	21.788	.000	.657	21.109	.000	.721	20.524	.000	.700	38.230	.000
F-statistic		43.777	.000		47.927	.000		44.197	.000		123.444	.000
Adjusted R ²		.196			.174			.168			.167	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LAF* = natural log of audit fees paid, *LEADER_1* = 1 if leading auditor, *LEADER_OTHER* = 1 if top ten leading auditor, other than leading auditor.

Appendix AD: Non-audit services (NAS) fee estimation for professional bodies for SMSFs sample by state/territory, 2008-10
(Dependent variable is log of non-audit fees)

Appendix AD.1: Non-audit services (NAS) fee estimation for professional bodies for NSW SMSFs sample, 2008-2010

	Panel A (2008 year n=1,086)			Panel B (2009 year n=1,436)			Panel C (2010 year n=1,326)			Panel D (All years n=3,848)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	.574	1.802	.072	1.682	3.563	.000	1.030	2.036	.042	1.107	4.227	.000
<i>LASSETS</i>	.223	9.217	.000	.262	6.778	.000	.306	7.784	.000	.267	13.228	.000
<i>PARTICIPANTS</i>	.040	1.364	.173	.056	1.395	.163	.016	.356	.722	.032	1.374	.170
<i>ROA</i>	-.843	-2.515	.012	-1.177	-1.868	.062	-1.854	-2.786	.005	-.796	-2.738	.006
<i>LCASH</i>	-.019	-2.263	.024	-.017	-1.047	.296	-.012	-.752	.452	-.020	-2.481	.013
<i>LPROPERTY</i>	-.004	-.909	.363	.004	.569	.569	.004	.596	.551	.002	.567	.571
<i>LSHARES</i>	-.002	-.477	.633	.006	1.011	.312	.001	.155	.877	-.001	-.287	.774
<i>FOREIGN</i>	.134	1.920	.055	.382	3.676	.000	.400	3.506	.001	.305	5.456	.000
<i>LCONT</i>	-.002	-.420	.675	.007	.903	.367	-.010	-1.490	.137	-.000	-.058	.954
<i>ARTWORK</i>	.063	.665	.506	.433	3.709	.000	.152	1.232	.218	.225	3.471	.001
<i>BORROWING</i>	.068	.396	.692	.080	.440	.660	.284	1.643	.101	.138	1.269	.205
<i>RESERVEACCTS</i>	.077	.403	.687	-.303	-.516	.606	-.329	-.779	.436	-.087	-.333	.739
<i>INHOUSE</i>	.161	1.163	.245	.186	1.320	.187	.180	1.306	.192	.194	2.319	.021
<i>DISPOSAL</i>	.217	4.376	.000	.346	5.501	.000	.177	2.603	.009	.294	8.050	.000
<i>LOSSES</i>	.138	1.774	.076	.367	3.753	.000	.265	2.737	.006	.274	4.955	.000
<i>OPINION</i>	.037	.323	.747	-.061	-.482	.630	-.200	-1.272	.204	-.107	-1.347	.178
<i>LAG</i>	.027	.602	.547	.016	.243	.808	.122	1.805	.071	.075	2.123	.034
<i>LAF</i>	-.093	-2.419	.016	-.446	-9.315	.000	-.354	-5.258	.000	-.312	-9.921	.000
<i>AG</i>	.072	.216	.829	.766	3.271	.001				.439	2.092	.037
<i>RCA</i>	.183	1.550	.121	.551	4.047	.000	.251	1.346	.179	.363	4.138	.000
<i>CPA_ICAA_IPA</i>	.194	1.845	.065	.295	2.421	.016	.011	.072	.943	.191	2.471	.014
F-statistic		8.769	.000		11.202	.000		9.406	.000		25.946	.000
Adjusted R ²		.125			.124			.108			.115	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LAF* = natural log of audit fees paid.

Appendix AD.2: Non-audit services (NAS) fee estimation for professional bodies for QLD SMSFs sample, 2008-2010

	Panel A (2008 year n=648)			Panel B (2009 year n=718)			Panel C (2010 year n=666)			Panel D (All years n=2,032)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	1.143	2.192	.029	.386	.475	.635	1.537	1.695	.091	1.111	2.379	.017
<i>LASSETS</i>	.176	6.002	.000	.273	5.811	.000	.262	5.667	.000	.237	9.631	.000
<i>PARTICIPANTS</i>	.023	.698	.486	.040	.604	.546	-.026	-.466	.642	.012	.398	.691
<i>ROA</i>	-.891	-2.285	.023	-.576	-.778	.437	-1.096	-1.495	.135	-.441	-1.302	.193
<i>LCASH</i>	-.011	-1.065	.287	.012	.558	.577	.005	.252	.801	.001	.093	.926
<i>LPROPERTY</i>	.005	1.208	.228	.002	.329	.742	.017	2.417	.016	.008	2.160	.031
<i>LSHARES</i>	.002	.364	.716	.003	.369	.712	.010	1.164	.245	.004	.958	.338
<i>FOREIGN</i>	.161	2.287	.023	.341	3.709	.000	.145	1.071	.285	.229	3.801	.000
<i>LCONT</i>	-.003	-.535	.593	.001	.130	.897	-.004	-.495	.621	-.001	-.227	.821
<i>ARTWORK</i>	.136	1.182	.238	-.071	-.268	.789	-.110	-.402	.688	-.038	-.270	.787
<i>BORROWING</i>	.068	.497	.619	.305	.767	.443	.188	.745	.456	.148	.958	.338
<i>RESERVEACCTS</i>	.439	3.083	.002	.432	1.461	.144	.169	1.387	.166	.318	2.790	.005
<i>INHOUSE</i>	-.243	-1.857	.064	.383	1.857	.064	-.066	-.246	.805	.019	.160	.873
<i>DISPOSAL</i>	.149	2.424	.016	.356	4.246	.000	.212	2.420	.016	.280	6.045	.000
<i>LOSSES</i>	.151	1.726	.085	.538	4.444	.000	.468	4.103	.000	.423	6.460	.000
<i>OPINION</i>	-.163	-1.276	.203	.022	.136	.892	.470	3.700	.000	.090	1.075	.282
<i>LAG</i>	-.066	-1.398	.163	-.010	-.121	.904	-.057	-.673	.501	-.007	-.163	.871
<i>LAF</i>	-.050	-.916	.360	-.383	-4.422	.000	-.372	-3.891	.000	-.299	-6.215	.000
<i>AG</i>				1.442	3.544	.000				.774	3.094	.002
<i>RCA</i>	-.079	-.287	.774	.549	1.276	.203	-.897	-1.974	.049	-.024	-.091	.928
<i>CPA_ICAA_IPA</i>	.036	.142	.887	.847	2.111	.035	.036	.092	.927	.356	1.452	.147
F-statistic		6.322	.000		7.861	.000		7.392	.000		17.800	.000
Adjusted R ²		.135			.161			.154			.142	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LAF* = natural log of audit fees paid.

Appendix AD.3: Non-audit services (NAS) fee estimation for professional bodies for SA SMSFs sample, 2008-2010

	<u>Panel A (2008 year n=198)</u>			<u>Panel B (2009 year n=249)</u>			<u>Panel C (2010 year n=260)</u>			<u>Panel D (All years n=707)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept				1.994	2.301	.022	1.200	1.304	.193	.747	1.608	.108
<i>LASSETS</i>				.146	2.103	.037	.138	2.063	.040	.150	3.925	.000
<i>PARTICIPANTS</i>				-.019	-.218	.828	.005	.064	.949	.015	.301	.764
<i>ROA</i>				.369	.415	.678	-1.478	-1.456	.147	-.366	-.689	.491
<i>LCASH</i>				-.021	-.749	.454	-.009	-.284	.776	-.018	-1.095	.274
<i>LPROPERTY</i>				.008	.666	.506	.007	.682	.496	.008	1.431	.153
<i>LSHARES</i>				.002	.145	.885	-.009	-.828	.409	-.005	-.837	.403
<i>FOREIGN</i>				.342	2.677	.008	.591	5.578	.000	.480	6.883	.000
<i>LCONT</i>				.011	.755	.451	.003	.179	.858	.003	.406	.685
<i>ARTWORK</i>				-.696	-2.181	.030	-.171	-.253	.801	-.286	-1.229	.220
<i>BORROWING</i>				.180	.376	.708	.592	3.285	.001	.344	2.822	.005
<i>RESERVEACCTS</i>				.355	1.381	.169	.600	3.571	.000	.536	5.252	.000
<i>INHOUSE</i>				.170	.884	.378	.216	1.065	.288	.223	2.011	.045
<i>DISPOSAL</i>				.247	2.017	.045	.211	1.728	.085	.165	2.510	.012
<i>LOSSES</i>				.179	1.049	.295	.109	.719	.473	.152	1.694	.091
<i>OPINION</i>				.057	.462	.645	.214	.799	.425	.189	2.324	.020
<i>LAG</i>				.011	.084	.933	-.081	-.516	.607	-.038	-.521	.602
<i>LAF</i>				-.203	-1.871	.063	-.126	-1.235	.218	-.030	-.495	.621
<i>AG</i>												
<i>RCA</i>				-.393	-1.146	.253	.308	.679	.498	-.124	-.532	.595
<i>CPA_ICAA_IPA</i>				.376	2.833	.005	.750	2.039	.043	.509	4.008	.000
F-statistic					1.960	.011		2.374	.001		5.169	.000
Adjusted R ²					.068			.092			.101	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LAF* = natural log of audit fees paid, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix AD.4: Non-audit services (NAS) fee estimation for professional bodies for TAS SMSFs sample, 2008-2010

	<u>Panel A (2008 year n=49)</u>			<u>Panel B (2009 year n=69)</u>			<u>Panel C (2010 year n=87)</u>			<u>Panel D (All years n=205)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept										.200	.141	.888
<i>LASSETS</i>										.194	1.911	.058
<i>PARTICIPANTS</i>										-.074	-.491	.624
<i>ROA</i>										.706	.552	.581
<i>LCASH</i>										-.115	-3.236	.001
<i>LPROPERTY</i>										.018	.964	.336
<i>LSHARES</i>										.072	3.632	.000
<i>FOREIGN</i>										.115	.453	.651
<i>LCONT</i>										.018	1.022	.308
<i>ARTWORK</i>										-.557	-.928	.354
<i>BORROWING</i>										.402	.751	.454
<i>RESERVEACCTS</i>										.518	1.201	.231
<i>INHOUSE</i>										-.568	-.689	.492
<i>DISPOSAL</i>										.126	.608	.544
<i>LOSSES</i>										.073	.242	.809
<i>OPINION</i>										-.097	-.190	.850
<i>LAG</i>										.237	1.300	.195
<i>LAF</i>										-.030	-.202	.840
<i>AG</i>												
<i>RCA</i>										1.003	2.769	.006
<i>CPA_ICAA_IPA</i>										.311	.869	.386
F-statistic											4.132	.000
Adjusted R ²											.226	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LAF* = natural log of audit fees paid, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix AD.5: Non-audit services (NAS) fee estimation for professional bodies for VIC SMSFs sample, 2008-2010

	Panel A (2008 year n=681)			Panel B (2009 year n=816)			Panel C (2010 year n=789)			Panel D (All years n=2,286)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept				.690	1.273	.203	1.267	2.306	.021	.869	2.914	.004
<i>LASSETS</i>				.310	7.970	.000	.188	4.564	.000	.198	9.044	.000
<i>PARTICIPANTS</i>				.007	.156	.876	.010	.197	.844	.010	.379	.705
<i>ROA</i>				-1.923	-2.980	.003	-1.422	-2.086	.037	-.974	-3.393	.001
<i>LCASH</i>				-.026	-1.899	.058	-.016	-.874	.382	-.019	-2.090	.037
<i>LPROPERTY</i>				-.004	-.528	.597	.002	.300	.764	.002	.530	.596
<i>LSHARES</i>				-.002	-.325	.745	-.002	-.320	.749	-.002	-.682	.495
<i>FOREIGN</i>				.333	3.443	.001	.138	1.325	.185	.204	3.796	.000
<i>LCONT</i>				.003	.469	.639	.010	1.241	.215	.008	2.061	.039
<i>ARTWORK</i>				-.126	-.761	.447	-.378	-1.624	.105	-.172	-1.605	.109
<i>BORROWING</i>				-.023	-.145	.885	.040	.174	.862	-.024	-.152	.879
<i>RESERVEACCTS</i>				.145	.832	.406	-1.285	-2.326	.020	-.309	-.994	.320
<i>INHOUSE</i>				.356	1.745	.081	-.228	-.816	.415	.090	.732	.464
<i>DISPOSAL</i>				.148	2.155	.032	.244	3.323	.001	.291	7.214	.000
<i>LOSSES</i>				.337	3.219	.001	.078	.721	.471	.186	3.021	.003
<i>OPINION</i>				-.030	-.212	.832	.090	.467	.641	-.026	-.271	.787
<i>LAG</i>				-.010	-.143	.886	-.022	-.285	.776	.025	.658	.511
<i>LAF</i>				-.264	-3.817	.000	-.104	-1.606	.109	-.082	-2.184	.029
<i>AG</i>				.702	4.402	.000				.431	4.309	.000
<i>RCA</i>				.174	1.230	.219	-.017	-.124	.901	.060	.763	.446
<i>CPA_ICAA_IPA</i>				.148	1.181	.238	-.147	-1.407	.160	.029	.430	.668
F-statistic					6.228	.000		3.857	.000		12.333	.000
Adjusted R ²					.114			.064			.090	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LAF* = natural log of audit fees paid, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix AD.6: Non-audit services (NAS) fee estimation for professional bodies for WA SMSFs sample, 2008-2010

	Panel A (2008 year n=466)			Panel B (2009 year n=686)			Panel C (2010 year n=678)			Panel D (All years n=1,830)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	.324	.575	.566	1.810	2.813	.005	3.984	6.721	.000	2.459	6.519	.000
<i>LASSETS</i>	.308	8.995	.000	.427	8.521	.000	.304	6.637	.000	.340	12.127	.000
<i>PARTICIPANTS</i>	.010	.246	.806	.088	1.535	.125	-.013	-.214	.831	.019	.595	.552
<i>ROA</i>	-1.386	-2.462	.014	-2.484	-2.964	.003	-2.443	-3.472	.001	-1.524	-3.912	.000
<i>LCASH</i>	-.002	-.100	.921	-.039	-1.976	.049	-.015	-.637	.524	-.025	-1.965	.050
<i>LPROPERTY</i>	-.026	-3.604	.000	-.004	-.436	.663	.007	.856	.392	-.004	-.844	.399
<i>LSHARES</i>	-.004	-.654	.513	-.009	-1.440	.150	-.003	-.336	.737	-.008	-1.857	.064
<i>FOREIGN</i>	.004	.023	.982	.158	.962	.337	.015	.071	.943	.148	1.267	.205
<i>LCONT</i>	-.021	-4.065	.000	-.013	-1.969	.049	-.002	-.288	.773	-.009	-2.255	.024
<i>ARTWORK</i>	-.218	-.780	.436	-.041	-.227	.821	.106	.604	.546	.013	.102	.919
<i>BORROWING</i>	.142	.706	.481	.188	.431	.666	-.372	-1.213	.226	-.028	-.113	.910
<i>RESERVEACCTS</i>	1.030	5.188	.000	.764	1.330	.184	.366	1.202	.230	.552	1.583	.114
<i>INHOUSE</i>	.044	.220	.826	.671	2.456	.014	.580	2.183	.029	.302	2.294	.022
<i>DISPOSAL</i>	.423	5.176	.000	.458	6.101	.000	.505	6.133	.000	.495	10.278	.000
<i>LOSSES</i>	.127	1.170	.243	.272	2.537	.011	.074	.641	.522	.154	2.304	.021
<i>OPINION</i>	-.067	-.521	.603	.236	1.028	.304	.006	.050	.960	.119	1.319	.188
<i>LAG</i>	.124	2.050	.041	-.052	-.684	.494	.002	.026	.979	.048	1.205	.228
<i>LAF</i>	-.197	-2.790	.006	-.597	-8.591	.000	-.759	-11.341	.000	-.580	-13.790	.000
<i>AG</i>												
<i>RCA</i>	.307	1.208	.228	-1.275	-3.352	.001	-.453	-2.196	.028	-.399	-2.473	.014
<i>CPA_ICAA_IPA</i>	.279	1.537	.125	-.106	-.704	.482	.033	.266	.791	.132	1.553	.121
F-statistic		15.494	.000		19.080	.000		25.485	.000		51.801	.000
Adjusted R ²		.372			.334			.407			.345	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LAF* = natural log of audit fees paid, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix AE: Non-audit services (NAS) fee estimation for professional bodies for Australian SMSFs sample, 2008-10
Interaction with industry leaders (Dependent variable is log of non-audit fees)

	<u>Panel A (2008 year n=3,154)</u>			<u>Panel B (2009 year n=4,013)</u>			<u>Panel C (2010 year n=3,849)</u>			<u>Panel D (All years n=11,016)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	.547	2.830	.005	1.383	5.041	.000	1.580	5.690	.000	1.230	8.236	.000
<i>LASSETS</i>	.189	13.650	.000	.274	12.953	.000	.260	12.588	.000	.245	22.081	.000
<i>PARTICIPANTS</i>	.038	2.296	.022	.029	1.180	.238	.015	.592	.554	.024	1.761	.078
<i>ROA</i>	-.781	-4.247	.000	-1.080	-3.141	.002	-1.687	-4.974	.000	-.783	-5.026	.000
<i>LCASH</i>	-.014	-2.600	.009	-.019	-2.200	.028	-.011	-1.232	.218	-.018	-3.761	.000
<i>LPROPERTY</i>	-.000	-.097	.923	.003	.927	.354	.008	2.351	.019	.005	2.397	.017
<i>LSHARES</i>	-.000	-.073	.942	.004	1.205	.228	.003	1.008	.313	.001	.631	.528
<i>FOREIGN</i>	.171	4.551	.000	.350	6.959	.000	.265	4.490	.000	.278	9.415	.000
<i>LCONT</i>	.001	.296	.767	.004	1.134	.257	-.001	-.207	.836	.002	.819	.413
<i>ARTWORK</i>	.028	.425	.671	.054	.630	.529	-.038	-.415	.678	.016	.323	.747
<i>BORROWING</i>	.093	1.239	.216	-.015	-.095	.924	.230	2.178	.030	.105	1.492	.136
<i>RESERVEACCTS</i>	.142	.990	.322	.245	1.094	.274	.178	1.041	.298	.204	1.814	.070
<i>INHOUSE</i>	-.017	-.262	.793	.266	2.515	.012	.102	.927	.354	.127	2.278	.023
<i>DISPOSAL</i>	.238	8.037	.000	.296	8.492	.000	.273	7.386	.000	.304	14.888	.000
<i>LOSSES</i>	.154	3.645	.000	.354	6.611	.000	.239	4.630	.000	.267	8.891	.000
<i>OPINION</i>	-.011	-.175	.862	-.022	-.292	.770	.031	.412	.680	-.011	-.258	.796
<i>LAG</i>	.015	.613	.540	.000	.000	1.000	.051	1.365	.172	.047	2.474	.013
<i>LAF</i>	-.021	-.906	.365	-.377	-12.386	.000	-.345	-9.854	.000	-.269	-14.980	.000
<i>AG</i>	-.026	-.090	.928	.712	4.284	.000				.389	2.563	.010
<i>RCA</i>	.053	.727	.468	.264	2.977	.003	-.030	-.309	.758	.111	2.142	.032
<i>CPA_ICAA_IPA</i>	.117	1.909	.056	.230	3.048	.002	-.064	-.823	.410	.108	2.509	.012
<i>LEADER_ALL</i>	.727	21.357	.000	.647	20.256	.000	.727	20.390	.000	.694	37.159	.000
<i>CPAAICAAIPA*LEADER_ALL</i>												
F-statistic		38.029	.000		41.905	.000		39.814	.000		106.356	.000
Adjusted R ²		.198			.176			.168			.167	

Appendix AF: Non-audit services (NAS) fee estimation for professional bodies for Australian SMSFs sample, 2008-10
(Dependent variable is log of non-audit fees)

	<u>Panel A (2008 year n=3,154)</u>			<u>Panel B (2009 year n=4,013)</u>			<u>Panel C (2010 year n=3,849)</u>			<u>Panel D (All years n=11,016)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	.539	2.743	.006	1.486	5.354	.000	1.744	6.102	.000	1.321	8.707	.000
<i>LASSETS</i>	.212	15.074	.000	.292	13.654	.000	.279	13.012	.000	.264	23.373	.000
<i>PARTICIPANTS</i>	.035	2.062	.039	.034	1.385	.166	.010	.400	.689	.024	1.753	.080
<i>ROA</i>	-.890	-4.762	.000	-1.318	-3.776	.000	-2.078	-5.999	.000	-1.036	-6.565	.000
<i>LCASH</i>	-.012	-2.210	.027	-.017	-1.998	.046	-.009	-.965	.335	-.015	-3.223	.001
<i>LPROPERTY</i>	-.003	-1.408	.159	.001	.208	.836	.006	1.705	.088	.002	1.029	.304
<i>LSHARES</i>	-.001	-.449	.654	.003	1.032	.302	.004	1.128	.259	.001	.474	.636
<i>FOREIGN</i>	.119	3.187	.002	.304	6.040	.000	.195	3.307	.001	.222	7.538	.000
<i>LCONT</i>	-.002	-.722	.470	.003	.712	.476	-.003	-.927	.354	-.001	-.345	.730
<i>ARTWORK</i>	.009	.139	.890	.040	.463	.643	-.078	-.847	.397	-.008	-.162	.871
<i>BORROWING</i>	.057	.755	.450	-.029	-.187	.852	.194	1.811	.070	.075	1.050	.294
<i>RESERVEACCTS</i>	.140	.948	.343	.233	1.042	.297	.135	.793	.428	.183	1.623	.105
<i>INHOUSE</i>	-.003	-.044	.965	.267	2.462	.014	.062	.520	.603	.112	1.928	.054
<i>DISPOSAL</i>	.278	9.407	.000	.350	10.083	.000	.349	9.600	.000	.363	17.932	.000
<i>LOSSES</i>	.152	3.569	.000	.351	6.525	.000	.237	4.511	.000	.265	8.755	.000
<i>BREACH</i>	-.098	-2.569	.010	-.074	-1.193	.233	.027	.397	.692	-.033	-1.012	.312
<i>LAG</i>	.077	3.277	.001	-.005	-.138	.890	.034	.916	.360	.057	2.987	.003
<i>LAF</i>	-.066	-2.807	.005	-.429	-14.319	.000	-.408	-11.788	.000	-.323	-18.141	.000
<i>AG</i>	-.030	-.104	.917	.728	4.387	.000				.399	2.637	.008
<i>RCA</i>	.058	.803	.422	.264	2.981	.003	-.013	-.131	.896	.119	2.296	.022
<i>CPA_ICAA_IPA</i>	.160	2.638	.008	.269	3.579	.000	-.012	-.150	.881	.155	3.599	.000
F-statistic		29.392	.000		39.233	.000		35.227	.000		93.587	.000
Adjusted R ²		.153			.160			.145			.144	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *BREACH* = 1 if breach reported, *LAG* = 1 if audit completed after the lodgement due date, *LAF* = natural log of audit fees paid.

Appendix AG: Audit fee estimation of professional body premiums for Australian SMSFs sample, 2008-10
(Dependent variable is log of audit fees)

	Panel A (2008 year n=3,154)			Panel B (2009 year n=4,013)			Panel C (2010 year n=3,849)			Panel D (All years n=11,016)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.342	25.193	.000	4.712	31.041	.000	4.368	25.513	.000	4.477	49.903	.000
<i>LASSETS</i>	.169	10.991	.000	.153	11.245	.000	.168	10.984	.000	.177	21.501	.000
<i>PARTICIPANTS</i>	.023	1.204	.229	.047	3.039	.002	.022	1.160	.246	.038	3.924	.000
<i>ROA</i>	-.170	-.850	.395	.056	.227	.820	-.177	-.889	.374	-.384	-3.029	.003
<i>LCASH</i>	-.016	-2.483	.013	-.006	-1.070	.285	-.016	-2.460	.014	-.011	-2.826	.005
<i>LPROPERTY</i>	.003	1.124	.261	.005	2.139	.033	.003	1.112	.266	.003	2.543	.011
<i>LSHARES</i>	.004	1.461	.144	.010	4.954	.000	.004	1.441	.150	.008	5.989	.000
<i>FOREIGN</i>	.126	2.316	.021	.057	1.139	.255	.126	2.309	.021	.059	2.099	.036
<i>LCONT</i>	-.001	-.404	.687	.003	1.224	.221	-.001	-.370	.711	.001	.948	.343
<i>ARTWORK</i>	.074	.922	.357	.198	2.820	.005	.073	.910	.363	.109	2.682	.007
<i>BORROWING</i>	-.070	-.537	.591	.130	1.197	.231	-.071	-.547	.585	.023	.405	.686
<i>RESERVEACCTS</i>	.330	1.766	.078	.124	.688	.491	.328	1.756	.079	.115	1.169	.242
<i>INHOUSE</i>	.092	1.296	.195	.136	1.805	.071	.091	1.283	.199	.053	1.232	.218
<i>DISPOSAL</i>	.095	3.180	.002	.073	3.280	.001	.096	3.189	.001	.071	4.951	.000
<i>LOSSES</i>	.173	3.652	.000	.205	5.468	.000	.171	3.620	.000	.185	8.157	.000
<i>OPINION</i>	.154	2.341	.019	.013	.268	.789	.154	2.340	.019	.084	2.670	.008
<i>LAG</i>	-.013	-.511	.610	.021	.917	.359	-.012	-.507	.612	.015	1.093	.274
<i>LNAF</i>	-.073	-2.870	.004	-.169	-15.788	.000	-.073	-2.875	.004	-.158	-20.413	.000
<i>AG</i>	.345	2.255	.024	.400	3.460	.001				.345	3.743	.000
<i>RCA</i>	.188	2.590	.010	.150	2.729	.006	.165	2.330	.020	.167	4.690	.000
<i>CPA_ICAA_IPA</i>	.179	3.089	.002	.109	2.465	.014	.155	2.800	.005	.107	3.873	.000
F-statistic		14.242	.000		31.496	.000		14.856	.000		73.787	.000
Adjusted R ²		.077			.132			.077			.117	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LNAF* = natural log of non-audit fees paid, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

**Appendix AH: Audit quality estimation for industry leaders for SMSFs sample by state/territory, 2008-2010
(Dependent variable is breaches reported)**

Appendix AH.1: Audit quality estimation for industry leaders for NSW SMSFs sample, 2008-2010

	Panel A (2008 year n=8,105)			Panel B (2009 year n=10,073)			Panel C (2010 year n=11,483)			Panel D (All years n=29,661)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.414	-8.868	.000	-5.457	-10.278	.000	-6.275	-10.663	.000	-5.327	-17.140	.000
<i>LASSETS</i>	.212	5.163	.000	.310	7.034	.000	.310	6.576	.000	.270	10.608	.000
<i>PARTICIPANTS</i>	.064	1.197	.231	.108	2.043	.041	.198	3.548	.000	.119	3.815	.000
<i>ROA</i>	.219	.307	.759	1.310	1.403	.161	.849	1.013	.311	1.244	2.747	.006
<i>LCASH</i>	-.043	-2.924	.004	-.099	-6.849	.000	-.069	-4.779	.000	-.071	-8.554	.000
<i>LPROPERTY</i>	-.015	-1.809	.071	-.032	-3.738	.000	-.012	-1.425	.154	-.019	-3.945	.000
<i>LSHARES</i>	-.010	-1.342	.180	-.043	-5.754	.000	-.038	-5.078	.000	-.032	-7.511	.000
<i>FOREIGN</i>	-.415	-2.165	.030	-.282	-1.493	.135	-.411	-1.939	.053	-.362	-3.179	.002
<i>ARTWORK</i>	.065	.292	.770	.250	1.168	.243	.312	1.250	.211	.206	1.576	.115
<i>BORROWING</i>	.193	.599	.549	.034	.117	.907	-.440	-1.958	.050	-.195	-1.282	.200
<i>INHOUSE</i>	1.990	13.024	.000	2.472	16.492	.000	2.595	19.207	.000	2.348	28.252	.000
<i>DISPOSAL</i>	-.534	-5.479	.000	-.528	-5.820	.000	-.442	-4.786	.000	-.456	-8.672	.000
<i>LOSSES</i>	.029	.206	.837	.124	.929	.353	.072	.576	.565	.063	.844	.399
<i>OPINION</i>	1.780	14.443	.000	2.231	18.548	.000	2.149	18.923	.000	2.045	30.108	.000
<i>LAG</i>	-.027	-.346	.729	.199	2.373	.018	.293	3.447	.001	.193	4.114	.000
<i>FEERESID</i>	.071	1.259	.208	.152	2.569	.010	.129	2.022	.043	.115	3.332	.001
<i>OTHERSERVICES</i>	.206	2.147	.032	.236	2.263	.024	.106	.929	.353	.230	3.872	.000
<i>LEADER_ALL</i>	-.298	-.903	.366	-.506	-1.833	.067	.475	2.565	.010	-.024	-.172	.863
LR-statistic		521.228	.000		915.525	.000		986.911	.000		2351.326	.000
McFadden R ²		.096			.160			.170			.138	
Total correctly predicted		72.38%			85.56%			89.55%			85.84%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 4.3, *OTHERSERVICES* = 1 if auditor provided other services, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix AH.2: Audit quality estimation for industry leaders for QLD SMSFs sample, 2008-2010

	Panel A (2008 year n=4,886)			Panel B (2009 year n=5,961)			Panel C (2010 year n=6,780)			Panel D (All years n=17,627)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.288	-5.616	.000	-7.634	-9.360	.000	-7.456	-9.491	.000	-6.401	-13.974	.000
<i>LASSETS</i>	.210	3.304	.001	.480	7.208	.000	.475	7.292	.000	.380	10.023	.000
<i>PARTICIPANTS</i>	.021	.271	.786	.050	.561	.575	-.053	-.604	.546	.016	.321	.748
<i>ROA</i>	1.140	1.330	.184	2.325	1.822	.069	2.123	2.150	.032	2.212	3.927	.000
<i>LCASH</i>	-.075	-3.520	.000	-.125	-5.931	.000	-.110	-4.841	.000	-.104	-8.348	.000
<i>LPROPERTY</i>	.002	.169	.866	-.039	-3.339	.001	-.030	-2.605	.009	-.021	-3.209	.001
<i>LSHARES</i>	-.014	-1.323	.186	-.021	-2.122	.034	-.047	-4.685	.000	-.029	-4.931	.000
<i>FOREIGN</i>	-.506	-2.188	.029	-.449	-1.627	.104	-.448	-1.697	.090	-.449	-3.063	.002
<i>ARTWORK</i>	.495	1.667	.096	-.043	-.128	.898	.066	.191	.848	.181	.982	.326
<i>BORROWING</i>	.532	1.387	.165	.179	.565	.572	.307	1.075	.282	.284	1.561	.119
<i>INHOUSE</i>	2.548	13.249	.000	2.352	12.224	.000	2.669	13.909	.000	2.508	23.021	.000
<i>DISPOSAL</i>	-.432	-3.491	.001	-.443	-3.671	.000	-.524	-4.102	.000	-.450	-6.357	.000
<i>LOSSES</i>	.183	.957	.339	.600	3.671	.000	.584	3.860	.000	.455	4.828	.000
<i>OPINION</i>	1.688	10.888	.000	2.118	13.557	.000	2.359	15.323	.000	2.034	23.122	.000
<i>LAG</i>	.092	.867	.386	.457	4.068	.000	.094	.812	.417	.251	3.961	.000
<i>FEERESID</i>	.281	3.125	.002	.437	4.695	.000	.210	2.115	.034	.303	5.571	.000
<i>OTHERSERVICES</i>	.387	3.023	.003	.309	2.137	.033	.453	2.875	.004	.427	5.273	.000
<i>LEADER_ALL</i>	-.692	-2.057	.040	-.739	-2.609	.009	-1.158	-3.970	.000	-.910	-5.349	.000
LR-statistic		477.763	.000		664.295	.000		690.977	.000		1797.772	.000
McFadden R ²		.149			.199			.209			.182	
Total correctly predicted		79.47%			85.24%			89.07%			85.89%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 4.3, *OTHERSERVICES* = 1 if auditor provided other services, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix AH.3: Audit quality estimation for industry leaders for SA SMSFs sample, 2008-2010

	Panel A (2008 year n=1,738)			Panel B (2009 year n=2,342)			Panel C (2010 year n=2,807)			Panel D (All years n=6,887)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.503	-3.440	.001	-3.663	-2.787	.005	-6.224	-4.074	.000	-4.613	-5.870	.000
<i>LASSETS</i>	.272	2.514	.012	.154	1.321	.186	.319	2.516	.012	.226	3.389	.001
<i>PARTICIPANTS</i>	-.106	-.731	.465	-.012	-.085	.932	.004	.028	.977	-.049	-.600	.548
<i>ROA</i>	.468	.267	.789	-2.205	-.951	.341	6.393	4.223	.000	2.470	2.342	.019
<i>LCASH</i>	-.091	-2.375	.018	-.063	-1.553	.120	-.094	-2.561	.010	-.083	-3.757	.000
<i>LPROPERTY</i>	-.014	-.696	.487	-.001	-.069	.945	-.012	-.581	.561	-.006	-.511	.609
<i>LSHARES</i>	.011	.570	.569	-.034	-1.685	.092	.006	.341	.733	-.007	-.659	.510
<i>FOREIGN</i>	-.258	-.634	.526	-.975	-1.653	.098	-.920	-1.496	.135	-.586	-2.081	.038
<i>ARTWORK</i>	-.410	-.488	.626	.523	.891	.373	.336	.550	.582	.242	.669	.504
<i>BORROWING</i>	.057	.073	.941	.598	1.213	.225	.680	1.577	.115	.492	1.606	.108
<i>INHOUSE</i>	1.465	3.395	.001	1.853	5.288	.000	2.215	6.276	.000	1.841	8.441	.000
<i>DISPOSAL</i>	-.969	-3.899	.000	-.581	-2.598	.009	-.830	-3.784	.000	-.720	-5.590	.000
<i>LOSSES</i>	.228	.668	.504	.027	.086	.931	.473	1.436	.151	.313	1.713	.087
<i>OPINION</i>	2.072	7.094	.000	1.572	5.627	.000	1.525	4.847	.000	1.727	10.153	.000
<i>LAG</i>	-.126	-.622	.534	.099	.487	.627	-.069	-.329	.742	.042	.363	.716
<i>FEERESID</i>	.512	3.126	.002	.097	.642	.521	-.020	-.116	.908	.174	1.850	.064
<i>OTHERSERVICES</i>	.492	2.120	.034	.590	2.504	.012	.929	4.022	.000	.704	5.321	.000
<i>LEADER_ALL</i>	-1.106	-2.766	.006	-1.115	-2.839	.005	-1.452	-3.160	.002	-1.224	-5.173	.000
LR-statistic		113.797	.000		134.386	.000		153.030	.000		363.339	.000
McFadden R ²		.123			.129			.145			.119	
Total correctly predicted		79.86%			87.49%			90.06%			87.51%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 4.3, *OTHERSERVICES* = 1 if auditor provided other services, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix AH.4: Audit quality estimation for industry leaders for VIC SMSFs sample, 2008-2010

	Panel A (2008 year n=8,069)			Panel B (2009 year n=9,818)			Panel C (2010 year n=11,433)			Panel D (All years n=29,320)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.729	-7.988	.000	-5.362	-8.278	.000	-6.282	-9.317	.000	-5.441	-14.769	.000
LASSETS	.224	4.448	.000	.260	4.812	.000	.353	6.373	.000	.274	8.934	.000
PARTICIPANTS	.037	.589	.556	.142	2.242	.025	.000	.004	.997	.057	1.504	.133
ROA	.946	1.160	.246	1.870	1.907	.057	1.097	1.165	.244	1.882	3.697	.000
LCASH	-.051	-2.743	.006	-.113	-6.983	.000	-.108	-5.997	.000	-.091	-9.188	.000
LPROPERTY	-.014	-1.492	.136	.007	.749	.454	-.009	-.866	.387	-.005	-.877	.381
LSHARES	-.025	-2.887	.004	-.037	-4.145	.000	-.038	-4.037	.000	-.034	-6.731	.000
FOREIGN	-.389	-2.050	.040	-.170	-.863	.388	-.493	-2.197	.028	-.333	-2.859	.004
ARTWORK	.683	2.831	.005	.120	.395	.693	.449	1.640	.101	.429	2.768	.006
BORROWING	-.008	-.019	.985	.578	2.018	.044	-.515	-1.626	.104	-.107	-.568	.570
INHOUSE	2.100	13.071	.000	2.698	17.296	.000	2.676	17.067	.000	2.462	27.232	.000
DISPOSAL	-.420	-3.839	.000	-.363	-3.346	.001	-.502	-4.564	.000	-.380	-6.188	.000
LOSSES	.428	2.675	.008	.155	.951	.342	.131	.836	.403	.215	2.382	.017
OPINION	2.025	14.760	.000	2.148	16.583	.000	2.142	14.358	.000	2.096	26.777	.000
LAG	-.061	-.672	.502	.382	3.916	.000	.319	3.181	.002	.251	4.578	.000
FEERESID	.167	2.278	.023	.404	4.881	.000	.445	5.807	.000	.304	6.736	.000
OTHERSERVICES	.497	3.919	.000	.229	1.586	.113	-.095	-.558	.577	.289	3.493	.001
LEADER_ALL	-.451	-1.994	.046	-.671	-2.407	.016	-.112	-.483	.629	-.396	-2.829	.005
LR-statistic		507.051	.000		832.681	.000		737.718	.000		2005.913	.000
McFadden R ²		.115			.190			.170			.152	
Total correctly predicted		86.00%			90.54%			92.98%			91.03%	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, FEERESID = error term from audit fee model in primary results in Table 4.3, OTHERSERVICES = 1 if auditor provided other services, LEADER_ALL = 1 if top ten leading auditor.

**Appendix AI: Audit quality estimation for industry leaders (split) for Australian SMSFs sample, 2008-2010
(Dependent variable is breaches reported)**

	Panel A (2008 year n=27,075)			Panel B (2009 year n=33,765)			Panel C (2010 year n=38,828)			Panel D (All years n=99,668)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.623	-15.314	.000	-6.063	-18.559	.000	-6.671	-19.346	.000	-5.755	-30.617	.000
<i>LASSETS</i>	.225	8.951	.000	.345	12.661	.000	.363	12.884	.000	.305	19.621	.000
<i>PARTICIPANTS</i>	.062	1.921	.055	.101	3.113	.002	.124	3.612	.000	.092	4.834	.000
<i>ROA</i>	.720	1.849	.065	1.070	1.949	.051	1.739	3.700	.000	1.699	6.714	.000
<i>LCASH</i>	-.055	-6.162	.000	-.106	-12.394	.000	-.094	-10.442	.000	-.087	-17.055	.000
<i>LPROPERTY</i>	-.010	-2.143	.032	-.021	-4.246	.000	-.016	-3.210	.001	-.015	-5.299	.000
<i>LSHARES</i>	-.019	-4.494	.000	-.039	-8.812	.000	-.036	-8.129	.000	-.033	-12.935	.000
<i>FOREIGN</i>	-.352	-3.499	.001	-.293	-2.663	.008	-.398	-3.431	.001	-.340	-5.438	.000
<i>ARTWORK</i>	.297	2.324	.020	.146	1.067	.286	.239	1.744	.081	.228	2.964	.003
<i>BORROWING</i>	.255	1.430	.153	.333	2.267	.023	-.106	-.807	.420	.059	.700	.484
<i>INHOUSE</i>	2.136	25.222	.000	2.450	28.629	.000	2.607	32.444	.000	2.391	49.937	.000
<i>DISPOSAL</i>	-.458	-8.274	.000	-.468	-8.811	.000	-.496	-9.080	.000	-.435	-14.106	.000
<i>LOSSES</i>	.222	2.752	.006	.236	3.094	.002	.253	3.530	.000	.223	5.214	.000
<i>OPINION</i>	1.799	26.344	.000	2.107	31.087	.000	2.171	31.952	.000	2.033	52.110	.000
<i>LAG</i>	.002	.035	.972	.272	5.578	.000	.239	4.805	.000	.215	7.839	.000
<i>FEERESID</i>	.185	5.333	.000	.287	7.522	.000	.241	6.173	.000	.222	10.242	.000
<i>OTHERSERVICES</i>	.331	5.748	.000	.329	5.203	.000	.236	3.421	.001	.343	9.510	.000
<i>LEADER_1</i>	-1.249	-3.277	.001	-1.316	-3.306	.001	-1.617	-3.652	.000	-1.386	-5.991	.000
<i>LEADER_OTHER</i>	-.829	-4.793	.000	-.918	-5.129	.000	-.379	-2.629	.009	-.700	-7.439	.000
LR-statistic		1863.929	.000		2909.565	.000		2967.471	.000		7647.223	.000
McFadden R ²		.112			.169			.171			.148	
Total correctly predicted		79.57%			88.00%			91.24%			88.05%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 4.3, *OTHERSERVICES* = 1 if auditor provided other services, *LEADER_1* = 1 if leading auditor, *LEADER_OTHER* = 1 if top ten leading auditor, other than leading auditor.

**Appendix AJ: Audit quality estimation for ‘good’ and ‘bad’ breaches by industry leaders for Australian SMSFs sample, 2008-2010
(Dependent variable is breaches reported)**

Appendix AJ.1: Audit quality estimation for ‘good breaches’ by industry leaders for Australian SMSFs sample, 2008-2010

	Panel A (2008 year n=27,075)			Panel B (2009 year n=33,765)			Panel C (2010 year n=38,828)			Panel D (All years n=99,668)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-6.527	-23.960	.000	-7.088	-26.279	.000	-7.240	-25.737	.000	-6.984	-43.858	.000
<i>LASSETS</i>	.414	18.415	.000	.457	20.322	.000	.439	18.872	.000	.436	33.093	.000
<i>PARTICIPANTS</i>	.021	.738	.460	.046	1.681	.093	.114	4.036	.000	.058	3.626	.000
<i>ROA</i>	-.255	-.728	.467	.804	1.614	.107	.559	1.355	.175	.749	3.351	.001
<i>LCASH</i>	-.078	-10.332	.000	-.111	-15.336	.000	-.101	-13.446	.000	-.098	-22.902	.000
<i>LPROPERTY</i>	-.005	-1.384	.166	-.014	-3.551	.000	-.005	-1.376	.169	-.008	-3.512	.000
<i>LSHARES</i>	.010	2.546	.011	-.001	-.159	.873	-.010	-2.640	.008	-.001	-.686	.493
<i>FOREIGN</i>	-.159	-2.095	.036	-.345	-4.040	.000	-.222	-2.658	.008	-.232	-4.951	.000
<i>ARTWORK</i>	.670	6.632	.000	.620	6.283	.000	.627	6.218	.000	.635	11.030	.000
<i>BORROWING</i>	.127	.732	.464	-.064	-.469	.639	-.348	-2.934	.003	-.207	-2.620	.009
<i>DISPOSAL</i>	-.413	-8.552	.000	-.326	-7.656	.000	-.272	-6.256	.000	-.305	-12.017	.000
<i>LOSSES</i>	.136	1.840	.066	.211	3.225	.001	.188	3.140	.002	.175	4.704	.000
<i>OPINION</i>	1.483	22.376	.000	1.700	27.311	.000	1.758	27.494	.000	1.657	44.942	.000
<i>LAG</i>	.058	1.498	.134	.234	5.866	.000	.217	5.299	.000	.208	9.079	.000
<i>FEERESID</i>	.036	1.140	.254	.086	2.706	.007	.108	3.248	.001	.063	3.403	.001
<i>OTHERSERVICES</i>	.142	2.719	.007	.104	1.905	.057	.010	.162	.871	.122	3.824	.000
<i>LEADER_ALL</i>	-.331	-3.340	.001	-.186	-2.041	.041	-.247	-2.789	.005	-.270	-5.065	.000
LR-statistic		987.774	.000		1394.090	.000		1305.453	.000		3666.162	.000
McFadden R ²		.050			.065			.061			.058	
Total correctly predicted		52.24%			70.98%			81.00%			70.25%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 4.3, *OTHERSERVICES* = 1 if auditor provided other services, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix AJ.2: Audit quality estimation for 'bad breaches' by industry leaders for Australian SMSFs sample, 2008-2010

	Panel A (2008 year n=27,075)			Panel B (2009 year n=33,765)			Panel C (2010 year n=38,828)			Panel D (All years n=99,668)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-2.231	-5.703	.000	-2.014	-4.708	.000	-3.142	-6.798	.000	-2.463	-10.011	.000
<i>LASSETS</i>	-.058	-1.713	.087	-.135	-3.561	.000	-.049	-1.260	.208	-.082	-3.879	.000
<i>PARTICIPANTS</i>	-.049	-1.038	.300	.017	.333	.739	-.090	-1.657	.098	-.043	-1.458	.145
<i>ROA</i>	1.075	2.164	.031	.711	1.159	.246	1.984	3.186	.001	1.882	5.844	.000
<i>LCASH</i>	-.021	-1.478	.139	-.031	-1.890	.059	-.044	-2.577	.010	-.034	-3.796	.000
<i>LPROPERTY</i>	-.005	-.776	.438	-.005	-.685	.494	.005	.670	.503	-.001	-.310	.757
<i>LSHARES</i>	-.006	-.878	.380	-.015	-2.006	.045	-.016	-2.290	.022	-.013	-3.378	.001
<i>FOREIGN</i>	-.341	-2.438	.015	.034	.216	.829	-.505	-2.731	.006	-.260	-2.855	.004
<i>ARTWORK</i>	.362	2.190	.029	.121	.620	.535	.350	1.797	.072	.280	2.651	.008
<i>BORROWING</i>	.530	2.403	.016	.679	3.241	.001	.538	3.034	.002	.505	4.532	.000
<i>INHOUSE</i>	2.610	28.441	.000	3.076	31.362	.000	3.286	34.924	.000	2.955	55.069	.000
<i>DISPOSAL</i>	-.287	-3.752	.000	-.428	-5.202	.000	-.274	-3.283	.001	-.273	-6.034	.000
<i>LOSSES</i>	.283	2.654	.008	.015	.138	.890	.119	1.117	.264	.129	2.131	.033
<i>OPINION</i>	2.022	26.342	.000	2.630	32.640	.000	2.712	32.502	.000	2.441	53.435	.000
<i>LAG</i>	-.162	-2.595	.010	.215	2.929	.003	.386	5.182	.000	.182	4.559	.000
<i>FEERESID</i>	.173	3.603	.000	.407	7.200	.000	.282	4.729	.000	.258	8.123	.000
<i>OTHERSERVICES</i>	.353	4.512	.000	.477	5.214	.000	.463	4.717	.000	.475	9.395	.000
<i>LEADER_ALL</i>	-1.161	-5.001	.000	-.701	-3.354	.001	-.329	-1.907	.057	-.732	-6.381	.000
LR-statistic		1692.970	.000		2748.344	.000		2842.322	.000		7123.839	.000
McFadden R ²		.164			.284			.296			.239	
Total correctly predicted		92.61%			94.65%			95.37%			94.29%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 4.3, *OTHERSERVICES* = 1 if auditor provided other services, *LEADER_ALL* = 1 if top ten leading auditor.

**Appendix AK: Audit quality estimation for professional body members for Australian SMSFs sample by state/territory, 2008-2010
(Dependent variable is breaches reported)**

Appendix AK.1: Audit quality estimation for professional body members for NSW SMSFs sample, 2008-2010

	Panel A (2008 year n=8,105)			Panel B (2009 year n=10,073)			Panel C (2010 year n=11,483)			Panel D (All years n=29,661)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-3.864	-7.689	.000	-5.308	-10.007	.000	-6.256	-11.125	.000	-5.131	-16.802	.000
<i>LASSETS</i>	.213	5.297	.000	.311	7.272	.000	.312	6.917	.000	.271	11.061	.000
<i>PARTICIPANTS</i>	.063	1.155	.248	.110	1.993	.046	.195	3.513	.000	.119	3.760	.000
<i>ROA</i>	.299	.435	.663	1.292	1.412	.158	.839	1.004	.316	1.258	2.825	.005
<i>LCASH</i>	-.045	-2.840	.005	-.099	-6.435	.000	-.069	-4.207	.000	-.071	-7.858	.000
<i>LPROPERTY</i>	-.014	-1.797	.072	-.032	-3.909	.000	-.012	-1.479	.139	-.019	-4.097	.000
<i>LSHARES</i>	-.010	-1.328	.184	-.043	-5.674	.000	-.038	-4.932	.000	-.032	-7.236	.000
<i>FOREIGN</i>	-.416	-2.229	.026	-.274	-1.408	.159	-.417	-1.920	.055	-.359	-3.143	.002
<i>ARTWORK</i>	.055	.255	.799	.254	1.205	.228	.324	1.427	.154	.207	1.656	.098
<i>BORROWING</i>	.182	.546	.585	.020	.070	.944	-.416	-1.735	.083	-.199	-1.251	.211
<i>INHOUSE</i>	1.994	12.438	.000	2.476	16.511	.000	2.590	18.609	.000	2.354	27.527	.000
<i>DISPOSAL</i>	-.531	-5.644	.000	-.527	-5.774	.000	-.439	-4.788	.000	-.455	-8.686	.000
<i>LOSSES</i>	.042	.298	.766	.126	.971	.332	.070	.562	.574	.067	.904	.366
<i>OPINION</i>	1.772	14.330	.000	2.229	18.492	.000	2.166	18.697	.000	2.052	29.862	.000
<i>LAG</i>	-.027	-.345	.730	.195	2.323	.020	.296	3.494	.001	.194	4.107	.000
<i>FEERESID</i>	.091	1.608	.108	.170	2.815	.005	.115	1.793	.073	.123	3.538	.000
<i>OTHERSERVICES</i>	.205	2.180	.029	.237	2.357	.018	.092	.810	.418	.229	3.928	.000
<i>AG</i>	-.713	-.676	.499	1.408	2.076	.038				.776	1.406	.160
<i>RCA</i>	-.575	-3.001	.003	-.087	-.431	.667	.032	.158	.875	-.184	-1.605	.109
<i>CPA_ICAA_CPA</i>	-.584	-3.807	.000	-.202	-1.230	.219	-.040	-.245	.807	-.246	-2.680	.007
LR-statistic		533.912	.000		919.582	.000		981.488	.000		2362.420	.000
McFadden R ²		.098			.161			.169			.139	
Total correctly predicted		72.57%			85.38%			89.79%			85.64%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 4, *OTHERSERVICES* = 1 if auditor provided other services *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix AK.2: Audit quality estimation for professional body members for QLD SMSFs sample, 2008-2010

	Panel A (2008 year n=4,886)			Panel B (2009 year n=5,961)			Panel C (2010 year n=6,780)			Panel D (All years n=17,627)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.414	-5.944	.000	-8.809	-10.056	.000	-8.072	-9.819	.000	-7.008	-15.232	.000
<i>LASSETS</i>	.208	3.722	.000	.469	8.376	.000	.461	7.684	.000	.372	11.329	.000
<i>PARTICIPANTS</i>	.023	.298	.766	.063	.764	.445	-.044	-.493	.622	.023	.495	.621
<i>ROA</i>	1.099	1.343	.179	2.408	2.329	.020	2.200	2.040	.041	2.270	4.272	.000
<i>LCASH</i>	-.076	-3.587	.000	-.128	-6.113	.000	-.111	-4.671	.000	-.107	-8.460	.000
<i>LPROPERTY</i>	.001	.146	.884	-.037	-3.513	.000	-.027	-2.527	.012	-.019	-3.270	.001
<i>LSHARES</i>	-.012	-1.226	.220	-.021	-2.029	.043	-.048	-4.557	.000	-.028	-4.811	.000
<i>FOREIGN</i>	-.522	-2.215	.027	-.475	-1.823	.068	-.446	-1.666	.096	-.467	-3.202	.001
<i>ARTWORK</i>	.516	1.710	.087	-.010	-.030	.976	.087	.262	.794	.203	1.110	.267
<i>BORROWING</i>	.544	1.297	.195	.146	.439	.661	.277	1.025	.305	.264	1.440	.150
<i>INHOUSE</i>	2.549	13.011	.000	2.352	12.402	.000	2.713	14.223	.000	2.520	23.119	.000
<i>DISPOSAL</i>	-.453	-3.623	.000	-.467	-3.944	.000	-.567	-4.523	.000	-.476	-6.787	.000
<i>LOSSES</i>	.167	.910	.363	.584	3.605	.000	.567	3.610	.000	.439	4.660	.000
<i>OPINION</i>	1.708	11.050	.000	2.109	14.063	.000	2.271	15.196	.000	2.013	23.303	.000
<i>LAG</i>	.103	.978	.328	.469	4.286	.000	.119	1.030	.303	.267	4.259	.000
<i>FEERESID</i>	.298	3.403	.001	.455	5.076	.000	.256	2.635	.008	.328	6.251	.000
<i>OTHERSERVICES</i>	.426	3.336	.001	.342	2.441	.015	.512	3.344	.001	.472	5.925	.000
<i>AG</i>	.835	.735	.462	2.128	1.926	.054				1.569	2.049	.041
<i>RCA</i>	.465	1.182	.237	1.521	2.666	.008	.587	1.322	.186	.839	3.246	.001
<i>CPA_ICAA_CPA</i>	.104	.290	.772	1.278	2.364	.018	.762	1.954	.051	.668	2.821	.005
LR-statistic		477.630	.000		667.558	.000		675.031	.000		1779.289	.000
McFadden R ²		.149			.200			.205			.180	
Total correctly predicted		79.08%			85.34%			88.82%			85.95%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 4, *OTHERSERVICES* = 1 if auditor provided other services *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix AK.3: Audit quality estimation for professional body members for SA SMSFs sample, 2008-2010

	Panel A (2008 year n=1,738)			Panel B (2009 year n=2,342)			Panel C (2010 year n=2,807)			Panel D (All years n=6,887)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.815	-3.115	.002	-2.305	-1.743	.081	-4.441	-3.157	.002	-3.401	-4.368	.000
<i>LASSETS</i>	.268	2.393	.017	.155	1.375	.169	.298	2.578	.010	.213	3.315	.001
<i>PARTICIPANTS</i>	-.108	-.710	.478	-.019	-.133	.894	.014	.092	.927	-.048	-.571	.568
<i>ROA</i>	.726	.398	.691	-2.560	-1.108	.268	5.827	3.739	.000	2.287	2.237	.025
<i>LCASH</i>	-.093	-2.337	.019	-.056	-1.297	.195	-.101	-2.475	.013	-.081	-3.458	.001
<i>LPROPERTY</i>	-.009	-.474	.635	.002	.102	.919	-.003	-.143	.886	-.002	-.188	.851
<i>LSHARES</i>	.011	.512	.609	-.033	-1.742	.082	.010	.503	.615	-.007	-.617	.537
<i>FOREIGN</i>	-.317	-.775	.439	-.921	-1.536	.125	-1.099	-1.826	.068	-.652	-2.300	.021
<i>ARTWORK</i>	-.311	-.405	.686	.629	1.134	.257	.108	.170	.865	.260	.734	.463
<i>BORROWING</i>	.105	.134	.893	.494	1.050	.294	.413	.918	.359	.344	1.175	.240
<i>INHOUSE</i>	1.564	3.223	.001	1.758	4.854	.000	2.363	6.646	.000	1.883	8.467	.000
<i>DISPOSAL</i>	-1.081	-4.427	.000	-.600	-2.819	.005	-.863	-3.872	.000	-.755	-5.966	.000
<i>LOSSES</i>	.255	.722	.470	.037	.114	.909	.404	1.292	.196	.300	1.643	.100
<i>OPINION</i>	2.167	7.095	.000	1.760	6.149	.000	1.653	5.022	.000	1.848	10.741	.000
<i>LAG</i>	-.127	-.629	.529	-.031	-.153	.878	-.199	-.924	.355	-.053	-.456	.648
<i>FEERESID</i>	.603	3.687	.000	.316	1.846	.065	.009	.049	.961	.280	2.914	.004
<i>OTHERSERVICES</i>	.583	2.501	.012	.510	2.111	.035	1.057	4.544	.000	.758	5.719	.000
<i>AG</i>	2.494	2.077	.038	-.383	-.459	.646				.391	.647	.518
<i>RCA</i>	.064	.074	.941	-2.194	-3.811	.000	-1.452	-3.642	.000	-1.331	-4.661	.000
<i>CPA_ICAA_CPA</i>	.274	.348	.728	-1.523	-3.764	.000	-1.755	-5.588	.000	-1.214	-5.445	.000
LR-statistic		111.748	.000		142.853	.000		165.477	.000		366.560	.000
McFadden R ²		.121			.137			.156			.121	
Total correctly predicted		81.30%			88.22%			90.31%			88.01%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 4, *OTHERSERVICES* = 1 if auditor provided other services *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix AK.4: Audit quality estimation for professional body members for VIC SMSFs sample, 2008-2010

	Panel A (2008 year n=8,069)			Panel B (2009 year n=9,818)			Panel C (2010 year n=11,433)			Panel D (All years n=29,320)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-5.068	-8.357	.000	-5.887	-8.966	.000	-6.799	-9.899	.000	-5.935	-15.927	.000
<i>LASSETS</i>	.218	4.428	.000	.253	4.765	.000	.335	6.095	.000	.262	8.738	.000
<i>PARTICIPANTS</i>	.040	.611	.541	.143	2.157	.031	.003	.046	.963	.059	1.506	.132
<i>ROA</i>	1.042	1.408	.159	1.897	1.758	.079	1.225	1.210	.227	1.961	3.883	.000
<i>LCASH</i>	-.053	-2.692	.007	-.113	-6.316	.000	-.109	-5.662	.000	-.092	-8.513	.000
<i>LPROPERTY</i>	-.013	-1.457	.145	.007	.713	.476	-.009	-.945	.345	-.005	-.917	.359
<i>LSHARES</i>	-.025	-2.699	.007	-.038	-3.949	.000	-.037	-3.961	.000	-.034	-6.357	.000
<i>FOREIGN</i>	-.401	-2.142	.032	-.181	-.902	.367	-.508	-2.223	.026	-.348	-2.971	.003
<i>ARTWORK</i>	.660	2.691	.007	.111	.384	.701	.450	1.694	.090	.426	2.803	.005
<i>BORROWING</i>	-.017	-.041	.967	.563	1.956	.051	-.503	-1.682	.093	-.101	-.550	.582
<i>INHOUSE</i>	2.099	12.004	.000	2.682	16.589	.000	2.662	16.916	.000	2.453	26.169	.000
<i>DISPOSAL</i>	-.434	-3.938	.000	-.373	-3.436	.001	-.504	-4.603	.000	-.390	-6.292	.000
<i>LOSSES</i>	.417	2.532	.011	.141	.854	.393	.108	.699	.484	.202	2.217	.027
<i>OPINION</i>	2.058	14.441	.000	2.172	16.212	.000	2.132	14.203	.000	2.115	26.142	.000
<i>LAG</i>	-.069	-.760	.447	.366	3.734	.000	.315	3.128	.002	.236	4.276	.000
<i>FEERESID</i>	.155	2.092	.036	.398	4.753	.000	.413	4.890	.000	.287	6.212	.000
<i>OTHERSERVICES</i>	.522	4.154	.000	.253	1.733	.083	-.090	-.519	.604	.304	3.680	.000
<i>AG</i>	2.216	1.771	.077	.531	.498	.619				1.119	1.477	.140
<i>RCA</i>	.683	2.746	.006	.589	2.066	.039	1.049	3.882	.000	.840	5.495	.000
<i>CPA_ICAA_CPA</i>	.397	1.786	.074	.652	2.638	.008	.775	3.246	.001	.652	4.833	.000
LR-statistic		513.686	.000		834.883	.000		750.524	.000		2029.566	.000
McFadden R ²		.117			.191			.173			.154	
Total correctly predicted		85.82%			90.54%			93.11%			91.05%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 4, *OTHERSERVICES* = 1 if auditor provided other services *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

**Appendix AL: Audit quality estimation for professional body members (split) for Australian SMSFs sample, 2008-2010
(Dependent variable is breaches reported)**

	Panel A (2008 year n=27,075)			Panel B (2009 year n=33,765)			Panel C (2010 year n=38,828)			Panel D (All years n=99,668)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.637	-15.694	.000	-6.081	-19.342	.000	-6.646	-20.120	.000	-5.774	-31.976	.000
<i>LASSETS</i>	.226	9.327	.000	.343	13.386	.000	.351	13.190	.000	.301	20.507	.000
<i>PARTICIPANTS</i>	.062	1.898	.058	.103	3.077	.002	.129	3.742	.000	.095	4.916	.000
<i>ROA</i>	.762	2.040	.041	1.126	2.204	.028	1.827	3.892	.000	1.756	7.142	.000
<i>LCASH</i>	-.056	-5.934	.000	-.107	-11.831	.000	-.094	-9.657	.000	-.088	-16.188	.000
<i>LPROPERTY</i>	-.009	-2.031	.042	-.020	-4.291	.000	-.015	-3.213	.001	-.014	-5.234	.000
<i>LSHARES</i>	-.020	-4.349	.000	-.040	-8.767	.000	-.037	-8.017	.000	-.033	-12.644	.000
<i>FOREIGN</i>	-.362	-3.618	.000	-.298	-2.720	.007	-.410	-3.490	.001	-.349	-5.585	.000
<i>ARTWORK</i>	.312	2.514	.012	.162	1.236	.217	.260	1.980	.048	.244	3.299	.001
<i>BORROWING</i>	.268	1.467	.142	.327	2.233	.026	-.104	-.794	.427	.057	.670	.503
<i>INHOUSE</i>	2.151	24.339	.000	2.446	28.737	.000	2.617	32.265	.000	2.399	49.269	.000
<i>DISPOSAL</i>	-.472	-8.587	.000	-.487	-9.240	.000	-.514	-9.542	.000	-.453	-14.783	.000
<i>LOSSES</i>	.227	2.822	.005	.235	3.110	.002	.246	3.424	.001	.223	5.186	.000
<i>OPINION</i>	1.805	25.990	.000	2.108	31.359	.000	2.172	31.820	.000	2.031	51.706	.000
<i>LAG</i>	-.004	-.097	.923	.261	5.399	.000	.231	4.651	.000	.208	7.600	.000
<i>FEERESID</i>	.211	6.038	.000	.310	8.154	.000	.239	6.043	.000	.239	11.055	.000
<i>OTHERSERVICES</i>	.343	6.016	.000	.331	5.352	.000	.229	3.348	.001	.344	9.678	.000
<i>AG</i>	.729	1.490	.136	.957	2.465	.014				1.015	3.364	.001
<i>RCA</i>	.133	1.301	.193	.071	.646	.518	.163	1.503	.133	.142	2.322	.020
<i>CPA</i>	-.095	-1.154	.248	.044	.507	.613	.195	2.319	.020	.063	1.305	.192
<i>ICAA</i>	.017	.198	.843	.048	.531	.595	.011	.126	.900	.045	.881	.378
<i>ATMA</i>	.215	1.167	.243	.090	.506	.613	-.074	-.405	.685	.029	.282	.778
<i>NTAA</i>	.066	.451	.652	-.122	-.728	.466	-.069	-.419	.675	-.017	-.187	.852
LR-statistic		1841.914	.000		2879.150	.000		2958.186	.000		7564.327	.000
McFadden R ²		.110			.167			.170			.147	
Total correctly predicted		79.85%			88.06%			91.19%			88.12%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion.

**Appendix AM: Audit quality estimation for ‘good’ and ‘bad’ breaches by professional body members for Australian SMSFs sample, 2008-10
(Dependent variable is breaches reported)**

Appendix AM.1: Audit quality estimation for ‘good breaches’ by professional body members for Australian SMSFs sample, 2008-2010

	Panel A (2008 year n=27,075)			Panel B (2009 year n=33,765)			Panel C (2010 year n=38,828)			Panel D (All years n=99,668)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-6.292	-23.102	.000	-7.076	-26.298	.000	-7.378	-26.430	.000	-6.989	-44.305	.000
<i>LASSETS</i>	.412	18.971	.000	.456	21.043	.000	.435	19.463	.000	.434	34.322	.000
<i>PARTICIPANTS</i>	.021	.749	.454	.047	1.677	.094	.116	4.067	.000	.060	3.649	.000
<i>ROA</i>	-.227	-.666	.505	.818	1.823	.068	.585	1.422	.155	.771	3.530	.000
<i>LCASH</i>	-.078	-9.731	.000	-.111	-14.477	.000	-.103	-12.573	.000	-.099	-21.540	.000
<i>LPROPERTY</i>	-.005	-1.228	.219	-.013	-3.532	.000	-.005	-1.361	.174	-.007	-3.389	.001
<i>LSHARES</i>	.010	2.530	.011	-.001	-.143	.886	-.010	-2.599	.009	-.001	-.630	.529
<i>FOREIGN</i>	-.163	-2.141	.032	-.347	-4.126	.000	-.226	-2.708	.007	-.236	-5.055	.000
<i>ARTWORK</i>	.672	6.658	.000	.626	6.331	.000	.639	6.418	.000	.643	11.197	.000
<i>BORROWING</i>	.128	.772	.440	-.064	-.476	.634	-.341	-2.916	.004	-.206	-2.657	.008
<i>INHOUSE</i>	-.422	-8.751	.000	-.332	-7.775	.000	-.279	-6.398	.000	-.313	-12.266	.000
<i>LOSSES</i>	.136	1.839	.066	.209	3.208	.001	.182	2.985	.003	.173	4.597	.000
<i>OPINION</i>	1.490	22.690	.000	1.704	27.756	.000	1.753	27.908	.000	1.659	45.530	.000
<i>LAG</i>	.057	1.470	.142	.234	5.853	.000	.219	5.355	.000	.208	9.066	.000
<i>FEERESID</i>	.043	1.414	.158	.090	2.863	.004	.104	3.142	.002	.068	3.698	.000
<i>OTHERSERVICES</i>	.148	2.836	.005	.109	2.011	.044	.014	.224	.823	.128	4.023	.000
<i>AG</i>	.241	.502	.616	.409	1.111	.267				.552	1.916	.055
<i>RCA</i>	-.060	-.580	.562	.187	1.782	.075	.387	3.815	.000	.210	3.543	.000
<i>CPA_ICAA_CPA</i>	-.265	-3.007	.003	-.021	-.236	.813	.165	1.926	.054	-.003	-.062	.951
LR-statistic		995.098	.000		1402.544	.000		1313.421	.000		3677.990	.000
McFadden R ²		.050			.065			.270			.058	
Total correctly predicted		52.35%			71.00%			80.83%			70.33%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 4, *OTHERSERVICES* = 1 if auditor provided other services *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix AM.2: Audit quality estimation for 'bad breaches' by professional body members for Australian SMSFs sample, 2008-2010

	Panel A (2008 year n=27,075)			Panel B (2009 year n=33,765)			Panel C (2010 year n=38,828)			Panel D (All years n=99,668)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-1.989	-4.991	.000	-1.968	-4.384	.000	-3.226	-6.792	.000	-2.431	-9.656	.000
<i>LASSETS</i>	-.060	-1.820	.069	-.136	-3.564	.000	-.052	-1.326	.185	-.084	-3.985	.000
<i>PARTICIPANTS</i>	-.047	-.994	.320	.017	.330	.741	-.089	-1.589	.112	-.041	-1.391	.164
<i>ROA</i>	1.114	2.319	.020	.728	1.111	.267	2.013	3.284	.001	1.915	5.976	.000
<i>LCASH</i>	-.022	-1.555	.120	-.032	-2.005	.045	-.044	-2.706	.007	-.035	-3.959	.000
<i>LPROPERTY</i>	-.004	-.614	.539	-.005	-.661	.509	.005	.733	.464	-.001	-.141	.888
<i>LSHARES</i>	-.005	-.796	.426	-.015	-2.067	.039	-.016	-2.248	.025	-.013	-3.328	.001
<i>FOREIGN</i>	-.354	-2.512	.012	.035	.227	.821	-.509	-2.645	.008	-.264	-2.870	.004
<i>ARTWORK</i>	.375	2.382	.017	.134	.730	.466	.358	1.993	.046	.291	2.939	.003
<i>BORROWING</i>	.536	2.332	.020	.670	3.140	.002	.535	3.090	.002	.500	4.394	.000
<i>INHOUSE</i>	2.618	27.269	.000	3.079	31.350	.000	3.295	35.060	.000	2.964	54.116	.000
<i>DISPOSAL</i>	-.304	-3.993	.000	-.441	-5.499	.000	-.285	-3.432	.001	-.288	-6.384	.000
<i>LOSSES</i>	.287	2.702	.007	.012	.109	.913	.115	1.083	.279	.127	2.088	.037
<i>OPINION</i>	2.029	24.998	.000	2.633	32.344	.000	2.707	32.356	.000	2.441	52.068	.000
<i>LAG</i>	-.168	-2.622	.009	.209	2.842	.005	.386	5.179	.000	.179	4.438	.000
<i>FEERESID</i>	.191	3.988	.000	.428	7.597	.000	.290	4.856	.000	.277	8.850	.000
<i>OTHERSERVICES</i>	.365	4.693	.000	.484	5.429	.000	.464	4.734	.000	.482	9.626	.000
<i>AG</i>	.702	1.144	.253	.883	1.587	.113				1.022	2.499	.012
<i>RCA</i>	-.056	-.341	.733	-.086	-.439	.660	.129	.670	.503	.038	.367	.713
<i>CPA_ICAA_CPA</i>	-.278	-2.036	.042	-.064	-.404	.687	.114	.731	.465	-.048	-.555	.579
LR-statistic		1674.682	.000		2744.297	.000		2840.488	.000		7096.667	.000
McFadden R ²		.162			.284			.162			.238	
Total correctly predicted		79.08%			85.34%			88.82%			85.95%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 4, *OTHERSERVICES* = 1 if auditor provided other services *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

**Appendix AN: Total fee estimation of industry leader premiums for Australian SMSFs sample, 2008-2010 redefining dependent variable as total auditor work
(Dependent variable is log of combined audit and non-audit fees)**

	<u>Panel A (2008 year n=33,578)</u>			<u>Panel B (2009 year n=38,238)</u>			<u>Panel C (2010 year n=42,228)</u>			<u>Panel D (All years n=114,044)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	3.470	44.301	.000	3.754	55.490	.000	3.770	60.708	.000	3.695	93.120	.000
<i>LASSETS</i>	.223	32.777	.000	.206	34.426	.000	.202	36.999	.000	.208	59.817	.000
<i>PARTICIPANTS</i>	.015	1.699	.089	.029	3.787	.000	.005	.790	.429	.016	3.673	.000
<i>ROA</i>	-.344	-3.597	.000	-1.169	-10.372	.000	-.930	-10.713	.000	-.717	-13.102	.000
<i>LCASH</i>	-.006	-2.178	.029	-.003	-1.160	.246	-.001	-.223	.823	-.003	-2.235	.025
<i>LPROPERTY</i>	.005	4.039	.000	.002	1.601	.110	.003	3.141	.002	.003	4.670	.000
<i>LSHARES</i>	.003	2.584	.010	.008	7.628	.000	.007	7.920	.000	.006	10.556	.000
<i>FOREIGN</i>	-.053	-2.456	.014	-.046	-2.503	.012	-.046	-2.819	.005	-.048	-4.439	.000
<i>LCONT</i>	-.004	-2.804	.005	-.001	-1.220	.222	-.001	-.559	.576	-.002	-2.530	.011
<i>ARTWORK</i>	.250	6.144	.000	.197	5.840	.000	.112	3.616	.000	.185	9.119	.000
<i>BORROWING</i>	-.000	-.006	.995	-.084	-2.189	.029	-.108	-4.047	.000	-.087	-4.240	.000
<i>RESERVEACCTS</i>	.131	1.798	.072	.103	1.675	.094	-.035	-.792	.429	.042	1.280	.200
<i>INHOUSE</i>	.041	1.000	.318	.077	2.340	.019	.082	2.716	.007	.067	3.351	.001
<i>DISPOSAL</i>	.249	17.027	.000	.136	12.559	.000	.112	11.885	.000	.156	24.123	.000
<i>LOSSES</i>	.285	12.158	.000	.165	9.297	.000	.212	15.817	.000	.217	22.054	.000
<i>OPINION</i>	.048	1.648	.099	.137	5.260	.000	.112	4.759	.000	.099	6.499	.000
<i>LAG</i>	.039	3.345	.001	.015	1.391	.164	.054	5.735	.000	.037	6.009	.000
<i>LEADER_ALL</i>	-.040	-1.363	.173	-.129	-5.351	.000	-.131	-6.633	.000	-.109	-7.956	.000
F-statistic		156.357	.000		170.887	.000		205.574	.000		514.876	.000
Adjusted R ²		.073			.070			.076			.071	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LEADER_ALL* = 1 if top ten leading auditor.

**Appendix AO: Total fee estimation of industry leader premiums for Australian SMSFs sample by state/territory, 2008-2010
redefining dependent variable as total auditor work**

(Dependent variable is log of combined audit and non-audit fees)

Appendix AO.1: Total fee estimation of industry leader premiums for ACT SMSFs sample, 2008-2010 redefining dependent variable as total auditor work

	Panel A (2008 year n=360)			Panel B (2009 year n=428)			Panel C (2010 year n=468)			Panel D (All years n=1,256)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.143	5.113	.000	4.918	6.220	.000				4.311	9.690	.000
<i>LASSETS</i>	.158	2.490	.013	.094	1.501	.134				.147	4.056	.000
<i>PARTICIPANTS</i>	.140	1.511	.132	.038	.460	.646				.088	1.937	.053
<i>ROA</i>	-.646	-.619	.537	-.322	-.341	.733				.242	.444	.657
<i>LCASH</i>	-.005	-.314	.753	.000	.011	.991				-.004	-.382	.702
<i>LPROPERTY</i>	.020	1.585	.114	.021	1.613	.108				.014	1.945	.052
<i>LSHARES</i>	.020	1.794	.074	.021	2.087	.038				.016	2.915	.004
<i>FOREIGN</i>	-.100	-.474	.636	-.136	-.748	.455				-.121	-1.202	.229
<i>LCONT</i>	-.035	-2.492	.013	-.004	-.434	.664				-.014	-2.062	.039
<i>ARTWORK</i>	.159	.649	.517	.264	.902	.367				.084	.474	.635
<i>BORROWING</i>	-.691	-1.403	.162	-.425	-1.690	.092				-.192	-.649	.517
<i>RESERVEACCTS</i>	.517	2.326	.021	.362	.802	.423				.322	1.491	.136
<i>INHOUSE</i>	-.657	-3.093	.002	.643	1.910	.057				-.208	-1.125	.261
<i>DISPOSAL</i>	.128	.881	.379	-.029	-.246	.805				-.078	-1.185	.236
<i>LOSSES</i>	.468	2.227	.027	.277	1.706	.089				.351	3.575	.000
<i>OPINION</i>	.262	1.081	.281	.474	1.472	.142				.459	2.617	.009
<i>LAG</i>	-.032	-.270	.787	.024	.224	.823				.002	.031	.975
<i>LEADER_ALL</i>	.118	.417	.677	.319	1.315	.189				.201	.962	.336
F-statistic		2.230	.004		2.045	.008					4.438	.000
Adjusted R ²		.055			.040						.044	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix AO.2: Total fee estimation of industry leader premiums for NSW SMSFs sample, 2008-2010 redefining dependent variable as total auditor work

	Panel A (2008 year n=10,830)			Panel B (2009 year n=11,937)			Panel C (2010 year n=12,910)			Panel D (All years n=35,677)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	3.262	23.116	.000	3.863	29.652	.000	3.771	31.493	.000	3.657	48.864	.000
<i>LASSETS</i>	.247	20.276	.000	.204	17.781	.000	.205	19.843	.000	.217	33.391	.000
<i>PARTICIPANTS</i>	.002	.106	.916	.036	2.643	.008	.011	.918	.359	.016	1.957	.050
<i>ROA</i>	-.430	-2.296	.022	-1.038	-4.283	.000	-.926	-5.483	.000	-.676	-6.182	.000
<i>LCASH</i>	-.005	-.930	.353	-.005	-.993	.321	.002	.529	.597	-.003	-1.121	.262
<i>LPROPERTY</i>	.005	2.050	.040	.002	.803	.422	.004	2.495	.013	.003	2.778	.006
<i>LSHARES</i>	.003	1.429	.153	.010	5.192	.000	.009	5.379	.000	.008	6.818	.000
<i>FOREIGN</i>	.053	1.212	.226	-.064	-1.675	.094	-.039	-1.050	.294	-.020	-.865	.387
<i>LCONT</i>	-.000	-.028	.978	.000	.090	.929	-.000	-.143	.886	.000	.149	.882
<i>ARTWORK</i>	.262	3.786	.000	.174	2.882	.004	.054	.887	.375	.165	4.477	.000
<i>BORROWING</i>	-.006	-.055	.956	-.019	-.253	.800	-.193	-3.729	.000	-.121	-3.060	.002
<i>RESERVEACCTS</i>	-.032	-.250	.802	-.034	-.339	.735	-.101	-1.198	.231	-.080	-1.381	.167
<i>INHOUSE</i>	-.062	-.814	.416	.080	1.447	.148	.058	1.083	.279	.027	.748	.454
<i>DISPOSAL</i>	.313	11.539	.000	.142	6.898	.000	.117	6.599	.000	.181	14.834	.000
<i>LOSSES</i>	.326	7.746	.000	.171	4.989	.000	.243	9.355	.000	.243	13.011	.000
<i>OPINION</i>	-.002	-.040	.968	.106	2.042	.041	.053	1.273	.203	.053	1.797	.072
<i>LAG</i>	.023	1.054	.292	.019	.929	.353	.074	4.106	.000	.040	3.420	.001
<i>LEADER_ALL</i>	-.774	-13.866	.000	-.696	-16.175	.000	-.586	-19.355	.000	-.665	-29.052	.000
F-statistic		66.432	.000		56.744	.000		69.938	.000		186.601	.000
Adjusted R ²		.093			.074			.084			.081	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix AO.3: Total fee estimation of industry leader premiums for QLD SMSFs sample, 2008-2010 redefining dependent variable as total auditor work

	Panel A (2008 year n=5,821)			Panel B (2009 year n=6,541)			Panel C (2010 year n=7,176)			Panel D (All years n=19,538)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.033	22.021	.000	3.838	25.370	.000	4.042	29.572	.000	3.991	44.577	.000
<i>LASSETS</i>	.186	11.720	.000	.193	14.857	.000	.178	14.728	.000	.184	23.585	.000
<i>PARTICIPANTS</i>	-.002	-.097	.923	.024	1.282	.200	-.010	-.639	.523	.005	.456	.648
<i>ROA</i>	.020	.097	.923	-.665	-3.013	.003	-.456	-2.273	.023	-.274	-2.340	.019
<i>LCASH</i>	-.016	-2.485	.013	-.003	-.555	.579	.000	.024	.981	-.007	-1.899	.058
<i>LPROPERTY</i>	.011	3.963	.000	.003	1.400	.162	.003	1.288	.198	.005	3.764	.000
<i>LSHARES</i>	.009	3.517	.000	.009	4.079	.000	.009	4.683	.000	.009	6.930	.000
<i>FOREIGN</i>	.067	1.420	.156	.102	2.285	.022	.013	.366	.715	.058	2.391	.017
<i>LCONT</i>	-.001	-.299	.765	-.002	-.740	.460	-.002	-.835	.404	-.002	-1.007	.314
<i>ARTWORK</i>	.037	.397	.691	.086	1.050	.294	.017	.260	.795	.048	1.038	.299
<i>BORROWING</i>	.057	.386	.699	.002	.025	.980	-.113	-2.150	.032	-.057	-1.286	.198
<i>RESERVEACCTS</i>	.168	.907	.365	-.015	-.095	.924	-.041	-.567	.570	.016	.228	.820
<i>INHOUSE</i>	.152	1.857	.063	.029	.402	.688	.159	2.311	.021	.111	2.571	.010
<i>DISPOSAL</i>	.154	4.643	.000	.108	4.363	.000	.089	4.225	.000	.113	7.681	.000
<i>LOSSES</i>	.257	4.719	.000	.209	5.348	.000	.244	8.437	.000	.238	10.872	.000
<i>OPINION</i>	.096	1.594	.111	.201	3.484	.001	.177	4.056	.000	.160	5.101	.000
<i>LAG</i>	.015	.565	.572	.095	3.779	.000	.059	2.845	.005	.058	4.217	.000
<i>LEADER_ALL</i>	-.424	-11.604	.000	-.365	-11.517	.000	-.312	-12.726	.000	-.353	-20.519	.000
F-statistic		26.079	.000		34.427	.000		38.570	.000		94.877	.000
Adjusted R ²		.068			.080			.084			.076	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix AO.4: Total fee estimation of industry leader premiums for SA SMSFs sample, 2008-2010 redefining dependent variable as total auditor work

	Panel A (2008 year n=2,200)			Panel B (2009 year n=2,604)			Panel C (2010 year n=3,059)			Panel D (All years n=7,863)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	3.905	12.175	.000	4.060	15.270	.000	3.916	16.306	.000	3.989	25.392	.000
<i>LASSETS</i>	.181	6.534	.000	.192	8.227	.000	.192	8.818	.000	.187	13.457	.000
<i>PARTICIPANTS</i>	.059	1.719	.086	.049	1.801	.072	.050	1.951	.051	.053	3.189	.001
<i>ROA</i>	-.236	-.632	.527	-.602	-1.298	.195	-.717	-2.254	.024	-.497	-2.354	.019
<i>LCASH</i>	.000	.005	.996	-.020	-2.198	.028	-.016	-1.825	.068	-.013	-2.316	.021
<i>LPROPERTY</i>	.008	1.840	.066	.007	1.740	.082	-.002	-.613	.540	.004	1.744	.081
<i>LSHARES</i>	.006	1.236	.217	.008	1.932	.054	.009	2.699	.007	.009	3.610	.000
<i>FOREIGN</i>	-.062	-.904	.366	.019	.280	.779	-.002	-.034	.973	-.008	-.238	.812
<i>LCONT</i>	-.015	-2.934	.003	-.004	-1.003	.316	.005	1.451	.147	-.004	-1.637	.102
<i>ARTWORK</i>	.024	.166	.868	.130	1.141	.254	-.085	-.480	.631	.008	.089	.929
<i>BORROWING</i>	.233	1.447	.148	-.381	-2.568	.010	.179	1.477	.140	-.018	-.205	.837
<i>RESERVEACCTS</i>	-.068	-.231	.818	.167	.811	.417	.552	2.879	.004	.327	2.479	.013
<i>INHOUSE</i>	.415	2.443	.015	.017	.132	.895	-.050	-.318	.750	.084	.945	.345
<i>DISPOSAL</i>	.273	4.923	.000	.142	3.489	.001	.115	3.348	.001	.161	6.749	.000
<i>LOSSES</i>	.214	2.246	.025	.143	1.962	.050	.266	5.123	.000	.216	5.530	.000
<i>OPINION</i>	.132	1.128	.260	.079	.975	.330	-.143	-1.336	.182	.045	.760	.448
<i>LAG</i>	.022	.524	.600	.045	1.251	.211	.050	1.539	.124	.035	1.642	.101
<i>LEADER_ALL</i>	-.655	-18.059	.000	-.596	-18.139	.000	-.431	-16.033	.000	-.545	-29.813	.000
F-statistic		15.448	.000		18.756	.000		20.069	.000		49.256	.000
Adjusted R ²		.100			.104			.101			.094	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix AO.5: Total fee estimation of industry leader premiums for VIC SMSFs sample, 2008-2010 redefining dependent variable as total auditor work

	<u>Panel A (2008 year n=9,572)</u>			<u>Panel B (2009 year n=10,921)</u>			<u>Panel C (2010 year n=12,289)</u>			<u>Panel D (All years n=32,782)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	3.763	27.477	.000	3.716	33.499	.000	3.765	35.750	.000	3.757	55.949	.000
<i>LASSETS</i>	.185	15.297	.000	.201	19.336	.000	.200	21.130	.000	.195	32.176	.000
<i>PARTICIPANTS</i>	.029	1.828	.068	.011	.833	.405	-.010	-.799	.424	.010	1.251	.211
<i>ROA</i>	-.493	-2.956	.003	-1.432	-7.329	.000	-1.079	-6.741	.000	-.878	-9.005	.000
<i>LCASH</i>	-.007	-1.342	.180	.000	.008	.993	-.005	-1.106	.269	-.004	-1.446	.148
<i>LPROPERTY</i>	.006	2.631	.009	.003	1.475	.140	.004	2.337	.020	.004	3.562	.000
<i>LSHARES</i>	.004	1.532	.126	.007	3.612	.000	.005	2.826	.005	.005	4.788	.000
<i>FOREIGN</i>	-.073	-1.984	.047	-.016	-.542	.588	.038	1.335	.182	-.011	-.629	.529
<i>LCONT</i>	-.002	-.843	.400	-.001	-.494	.621	-.000	-.027	.979	-.001	-.793	.428
<i>ARTWORK</i>	.387	5.177	.000	.296	4.297	.000	.249	4.004	.000	.310	7.856	.000
<i>BORROWING</i>	.017	.162	.871	-.038	-.489	.625	-.017	-.314	.754	-.019	-.470	.638
<i>RESERVEACCTS</i>	.351	2.536	.011	.267	2.873	.004	-.170	-2.551	.011	.097	1.762	.078
<i>INHOUSE</i>	.070	.922	.357	.139	2.177	.030	.129	2.662	.008	.110	3.032	.002
<i>DISPOSAL</i>	.284	10.982	.000	.107	5.703	.000	.095	5.692	.000	.145	12.764	.000
<i>LOSSES</i>	.259	5.849	.000	.169	5.156	.000	.173	6.993	.000	.197	10.791	.000
<i>OPINION</i>	.116	2.095	.036	.202	4.454	.000	.028	.616	.538	.124	4.375	.000
<i>LAG</i>	.026	1.273	.203	.013	.686	.493	.067	3.993	.000	.036	3.405	.001
<i>LEADER_ALL</i>	-.042	-1.673	.094	-.243	-9.527	.000	-.337	-14.815	.000	-.230	-16.005	.000
F-statistic		43.940	.000		58.990	.000		74.868	.000		164.084	.000
Adjusted R ²		.071			.083			.094			.078	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix AO.6: fee estimation of industry leader premiums for WA SMSFs sample, 2008-2010 redefining dependent variable as total auditor work

	Panel A (2008 year n=4,224)			Panel B (2009 year n=5,181)			Panel C (2010 year n=5,594)			Panel D (All years n=14,999)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	3.076	14.700	.000	3.612	20.444	.000	3.796	25.104	.000	3.524	34.560	.000
<i>LASSETS</i>	.265	13.949	.000	.220	14.422	.000	.200	14.777	.000	.226	24.998	.000
<i>PARTICIPANTS</i>	.019	.743	.458	.054	2.652	.008	.016	.982	.326	.029	2.457	.014
<i>ROA</i>	-.211	-.869	.385	-1.281	-4.773	.000	-.880	-4.991	.000	-.801	-6.185	.000
<i>LCASH</i>	-.011	-1.290	.197	-.009	-1.270	.204	.001	.090	.929	-.005	-1.329	.184
<i>LPROPERTY</i>	.005	1.573	.116	.002	.721	.471	.006	2.785	.005	.004	2.636	.008
<i>LSHARES</i>	.001	.391	.696	.007	2.759	.006	.006	2.680	.007	.006	3.485	.001
<i>FOREIGN</i>	-.029	-.457	.648	-.021	-.405	.685	-.110	-2.719	.007	-.058	-1.982	.047
<i>LCONT</i>	-.006	-1.462	.144	-.002	-.580	.562	.000	.183	.855	-.002	-1.266	.206
<i>ARTWORK</i>	.296	2.596	.010	.198	2.823	.005	.173	2.903	.004	.221	4.875	.000
<i>BORROWING</i>	-.078	-.723	.470	-.096	-1.160	.246	-.145	-2.728	.006	-.115	-2.722	.007
<i>RESERVEACCTS</i>	.077	.359	.719	.026	.095	.925	.238	1.758	.079	.127	1.060	.289
<i>INHOUSE</i>	.054	.469	.639	-.035	-.374	.709	.086	.890	.374	.038	.630	.529
<i>DISPOSAL</i>	.136	3.502	.001	.174	6.472	.000	.157	6.596	.000	.153	9.320	.000
<i>LOSSES</i>	.214	3.611	.000	.083	1.985	.047	.126	4.013	.000	.143	6.082	.000
<i>OPINION</i>	-.014	-.196	.844	.080	1.177	.239	.170	2.869	.004	.067	1.774	.076
<i>LAG</i>	-.002	-.051	.960	-.017	-.659	.510	.038	1.583	.114	.004	.278	.781
<i>LEADER_ALL</i>	2.319	42.477	.000	1.954	37.844	.000	2.027	48.953	.000	2.087	73.916	.000
F-statistic		97.204	.000		118.169	.000		164.037	.000		366.580	.000
Adjusted R ²		.279			.278			.333			.293	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix AP: Total fee estimation of professional body premiums for Australian SMSFs sample, 2008-2010 redefining dependent variable as total auditor work

(Dependent variable is log of combined audit and non-audit fees)

	<u>Panel A (2008 year n=33,578)</u>			<u>Panel B (2009 year n=38,238)</u>			<u>Panel C (2010 year n=42,228)</u>			<u>Panel D (All years n=114,044)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	3.362	40.813	.000	3.558	51.300	.000	3.551	56.896	.000	3.501	86.193	.000
<i>LASSETS</i>	.223	32.702	.000	.203	33.890	.000	.197	36.216	.000	.206	59.046	.000
<i>PARTICIPANTS</i>	.016	1.720	.086	.030	3.935	.000	.006	.942	.346	.017	3.878	.000
<i>ROA</i>	-.340	-3.560	.000	-1.140	-10.154	.000	-.900	-10.470	.000	-.703	-12.881	.000
<i>LCASH</i>	-.006	-2.255	.024	-.003	-1.362	.173	-.001	-.494	.621	-.004	-2.542	.011
<i>LPROPERTY</i>	.005	4.084	.000	.002	1.750	.080	.003	3.174	.002	.003	4.823	.000
<i>LSHARES</i>	.003	2.567	.010	.008	7.547	.000	.007	7.682	.000	.006	10.414	.000
<i>FOREIGN</i>	-.055	-2.539	.011	-.052	-2.787	.005	-.051	-3.069	.002	-.052	-4.841	.000
<i>LCONT</i>	-.004	-2.856	.004	-.001	-1.156	.248	-.001	-.501	.616	-.002	-2.531	.011
<i>ARTWORK</i>	.252	6.196	.000	.201	5.968	.000	.121	3.869	.000	.190	9.359	.000
<i>BORROWING</i>	-.001	-.016	.987	-.087	-2.263	.024	-.105	-3.898	.000	-.087	-4.208	.000
<i>RESERVEACCTS</i>	.127	1.756	.079	.099	1.615	.106	-.033	-.747	.455	.040	1.233	.218
<i>INHOUSE</i>	.042	1.024	.306	.073	2.212	.027	.081	2.709	.007	.066	3.300	.001
<i>DISPOSAL</i>	.248	16.954	.000	.133	12.259	.000	.109	11.540	.000	.153	23.654	.000
<i>LOSSES</i>	.286	12.211	.000	.165	9.280	.000	.207	15.420	.000	.216	21.911	.000
<i>OPINION</i>	.049	1.677	.094	.140	5.356	.000	.109	4.614	.000	.101	6.564	.000
<i>LAG</i>	.038	3.220	.001	.012	1.117	.264	.051	5.483	.000	.034	5.505	.000
<i>AG</i>	.493	3.192	.001	.388	3.682	.000				.478	5.467	.000
<i>RCA</i>	.077	2.413	.016	.251	10.071	.000	.316	15.509	.000	.237	16.619	.000
<i>CPA_ICAA_IPA</i>	.121	4.355	.000	.247	11.735	.000	.299	18.328	.000	.242	20.279	.000
F-statistic		141.321	.000		158.347	.000		209.882	.000		478.323	.000
Adjusted R ²		.074			.073			.082			.074	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix AQ: Total fee estimation of professional body premiums for Australian SMSFs sample by state/territory, 2008-2010
redefining dependent variable as total auditor work
(Dependent variable is log of combined audit and non-audit fees)

Appendix AQ.1: Total fee estimation of professional body premiums for ACT SMSFs sample

	Panel A (2008 year n=360)			Panel B (2009 year n=428)			Panel C (2010 year n=468)			Panel D (All years n=1,256)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	3.288	3.957	.000	4.090	5.163	.000	3.091	4.199	.000	3.478	7.824	.000
<i>LASSETS</i>	.204	3.182	.002	.136	2.220	.027	.237	3.826	.000	.196	5.454	.000
<i>PARTICIPANTS</i>	.155	1.707	.089	.065	.822	.411	.072	1.213	.226	.098	2.291	.022
<i>ROA</i>	-.852	-.827	.409	-.774	-.837	.403	1.119	1.331	.184	-.242	-.450	.653
<i>LCASH</i>	-.022	-1.277	.202	-.017	-1.142	.254	-.018	-1.135	.257	-.019	-2.098	.036
<i>LPROPERTY</i>	.020	1.659	.098	.017	1.384	.167	-.011	-1.074	.283	.010	1.456	.146
<i>LSHARES</i>	.013	1.210	.227	.013	1.332	.184	.007	.889	.375	.011	2.081	.038
<i>FOREIGN</i>	-.157	-.759	.448	-.104	-.587	.558	-.147	-1.328	.185	-.129	-1.317	.188
<i>LCONT</i>	-.033	-2.429	.016	-.008	-.802	.423	-.009	-.892	.373	-.016	-2.483	.013
<i>ARTWORK</i>	.204	.945	.345	.234	.881	.379	-.167	-.484	.629	.031	.183	.855
<i>BORROWING</i>	-.815	-1.642	.102	-.416	-1.591	.112	.472	1.126	.261	-.175	-.618	.537
<i>RESERVEACCTS</i>	.460	1.790	.074	.123	.209	.835	.050	.174	.862	.184	.839	.402
<i>INHOUSE</i>	-.636	-2.648	.009	.694	2.149	.032	-.214	-.679	.498	-.134	-.705	.481
<i>DISPOSAL</i>	.171	1.211	.227	.081	.682	.496	-.164	-1.935	.054	-.005	-.072	.942
<i>LOSSES</i>	.507	2.498	.013	.319	2.105	.036	.395	2.634	.009	.394	4.192	.000
<i>OPINION</i>	.265	1.145	.253	.416	1.372	.171	.376	1.073	.284	.396	2.411	.016
<i>LAG</i>	-.015	-.131	.896	.077	.754	.451	.044	.541	.589	.017	.311	.756
<i>AG</i>	.934	5.641	.000	-.263	-1.267	.206				.357	.773	.440
<i>RCA</i>	.910	2.498	.013	.978	3.949	.000	1.123	5.425	.000	.998	6.558	.000
<i>CPA_ICAA_IPA</i>	.525	4.908	.000	.596	6.603	.000	.511	6.577	.000	.531	10.697	.000
F-statistic		3.140	.000		3.774	.000		5.373	.000		9.691	.000
Adjusted R ²		.102			.110			.144			.116	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix AQ.2: Total fee estimation of professional body premiums for NSW SMSFs sample

	Panel A (2008 year n=10,830)			Panel B (2009 year n=11,937)			Panel C (2010 year n=12,910)			Panel D (All years n=35,677)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	3.092	20.819	.000	3.653	26.830	.000	3.605	29.581	.000	3.473	44.809	.000
LASSETS	.247	20.243	.000	.201	17.504	.000	.200	19.423	.000	.215	32.936	.000
PARTICIPANTS	.000	.027	.978	.038	2.793	.005	.012	.997	.319	.016	2.037	.042
ROA	-.402	-2.144	.032	-1.020	-4.230	.000	-.937	-5.545	.000	-.658	-6.020	.000
LCASH	-.005	-1.087	.277	-.005	-1.125	.261	.002	.469	.639	-.003	-1.304	.192
LPROPERTY	.005	1.954	.051	.002	1.037	.300	.004	2.477	.013	.003	2.852	.004
LSHARES	.003	1.500	.134	.010	5.140	.000	.009	5.279	.000	.007	6.774	.000
FOREIGN	.051	1.142	.254	-.070	-1.831	.067	-.039	-1.047	.295	-.022	-.974	.330
LCONT	-.000	-.067	.946	.000	.019	.985	-.000	-.098	.922	.000	.120	.905
ARTWORK	.270	3.873	.000	.179	2.959	.003	.056	.915	.360	.171	4.595	.000
BORROWING	-.013	-.122	.903	-.034	-.451	.652	-.191	-3.702	.000	-.128	-3.225	.001
RESERVEACCTS	-.036	-.284	.777	-.046	-.463	.644	-.098	-1.152	.249	-.082	-1.420	.156
INHOUSE	-.077	-1.004	.315	.067	1.200	.230	.060	1.137	.256	.019	.540	.589
DISPOSAL	.309	11.374	.000	.141	6.848	.000	.113	6.323	.000	.178	14.554	.000
LOSSES	.329	7.819	.000	.173	5.072	.000	.239	9.181	.000	.243	13.009	.000
OPINION	-.008	-.141	.888	.091	1.741	.082	.039	.948	.343	.041	1.389	.165
LAG	.022	.985	.325	.014	.678	.498	.071	3.915	.000	.037	3.133	.002
AG	.623	2.167	.030	.479	2.132	.033				.558	2.999	.003
RCA	.103	1.731	.084	.281	5.934	.000	.263	6.844	.000	.226	8.327	.000
CPA_ICAA_IPA	.187	3.703	.000	.261	6.596	.000	.221	7.541	.000	.228	10.318	.000
F-statistic		57.116	.000		47.386	.000		61.178	.000		156.379	.000
Adjusted R ²		.090			.069			.077			.076	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, LCONT = natural log of total concessional contributions received, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, RESERVEACCTS = 1 if reserve accounts, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, AG = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, RCA = 1 if auditor is a registered company auditor, CPA_ICAA_IPA = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix AQ.3: Total fee estimation of professional body premiums for NT SMSFs sample

	<u>Panel A (2008 year n=80)</u>			<u>Panel B (2009 year n=79)</u>			<u>Panel C (2010 year n=80)</u>			<u>Panel D (All years n=239)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept										3.137	3.091	.002
<i>LASSETS</i>										.320	3.470	.001
<i>PARTICIPANTS</i>										.009	.075	.941
<i>ROA</i>										.955	.754	.452
<i>LCASH</i>										-.080	-1.744	.083
<i>LPROPERTY</i>										-.001	-.078	.938
<i>LSHARES</i>										-.002	-.127	.899
<i>FOREIGN</i>										-.128	-.622	.535
<i>LCONT</i>										.008	.326	.745
<i>ARTWORK</i>										.336	1.253	.212
<i>BORROWING</i>										-.372	-1.901	.059
<i>RESERVEACCTS</i>										1.158	3.570	.000
<i>INHOUSE</i>										-.250	-.711	.478
<i>DISPOSAL</i>										.406	2.364	.019
<i>LOSSES</i>										.095	.394	.694
<i>OPINION</i>										.846	3.060	.003
<i>LAG</i>										.190	1.247	.214
<i>AG</i>												
<i>RCA</i>										.091	.200	.841
<i>CPA_ICAA_IPA</i>										.310	.724	.470
F-statistic											2.870	.000
Adjusted R ²											.124	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix AQ.4: Total fee estimation of professional body premiums for QLD SMSFs sample

	Panel A (2008 year n=5,821)			Panel B (2009 year n=6,541)			Panel C (2010 year n=7,176)			Panel D (All years n=19,538)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	3.944	20.547	.000	3.815	24.121	.000	4.072	28.511	.000	3.976	42.475	.000
<i>LASSETS</i>	.184	11.587	.000	.191	14.610	.000	.175	14.487	.000	.182	23.223	.000
<i>PARTICIPANTS</i>	-.001	-.050	.960	.025	1.329	.184	-.009	-.604	.546	.006	.525	.599
<i>ROA</i>	.072	.348	.728	-.633	-2.862	.004	-.449	-2.241	.025	-.233	-1.998	.046
<i>LCASH</i>	-.016	-2.542	.011	-.004	-.664	.507	.000	.060	.952	-.007	-1.972	.049
<i>LPROPERTY</i>	.012	4.302	.000	.004	1.498	.134	.004	1.746	.081	.006	4.263	.000
<i>LSHARES</i>	.010	3.748	.000	.009	4.235	.000	.009	4.784	.000	.009	7.183	.000
<i>FOREIGN</i>	.048	1.008	.313	.085	1.892	.059	.013	.376	.707	.048	1.986	.047
<i>LCONT</i>	-.000	-.095	.925	-.001	-.551	.582	-.002	-.715	.475	-.001	-.706	.480
<i>ARTWORK</i>	.047	.495	.621	.086	1.062	.288	.029	.426	.670	.055	1.187	.235
<i>BORROWING</i>	.073	.498	.619	-.000	-.003	.998	-.122	-2.304	.021	-.062	-1.402	.161
<i>RESERVEACCTS</i>	.172	.937	.349	-.009	-.055	.956	-.047	-.629	.529	.014	.191	.848
<i>INHOUSE</i>	.175	2.166	.030	.048	.657	.511	.187	2.703	.007	.132	3.082	.002
<i>DISPOSAL</i>	.144	4.325	.000	.098	3.926	.000	.081	3.833	.000	.104	7.035	.000
<i>LOSSES</i>	.261	4.770	.000	.202	5.147	.000	.233	8.001	.000	.231	10.501	.000
<i>OPINION</i>	.100	1.651	.099	.195	3.343	.001	.147	3.310	.001	.149	4.708	.000
<i>LAG</i>	.018	.672	.501	.099	3.915	.000	.061	2.941	.003	.062	4.497	.000
<i>AG</i>	.061	.193	.847	-.267	-.968	.333				-.131	-.645	.519
<i>RCA</i>	-.104	-1.334	.182	-.057	-.906	.365	-.098	-1.813	.070	-.091	-2.483	.013
<i>CPA_ICAA_IPA</i>	.114	1.660	.097	.037	.666	.505	-.027	-.590	.555	.030	.926	.355
F-statistic		21.924	.000		27.616	.000		31.370	.000		75.753	.000
Adjusted R ²		.064			.072			.071			.068	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix AQ.5: Total fee estimation of professional body premiums for SA SMSFs sample

	Panel A (2008 year n=2,200)			Panel B (2009 year n=2,604)			Panel C (2010 year n=3,059)			Panel D (All years n=7,863)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.103	11.526	.000	4.420	15.188	.000	4.232	17.266	.000	4.308	26.039	.000
<i>LASSETS</i>	.144	5.170	.000	.152	6.429	.000	.159	7.379	.000	.150	10.833	.000
<i>PARTICIPANTS</i>	.069	1.973	.049	.062	2.201	.028	.057	2.176	.030	.062	3.661	.000
<i>ROA</i>	-.053	-.139	.889	-.257	-.545	.586	-.665	-2.083	.037	-.321	-1.500	.134
<i>LCASH</i>	.005	.516	.606	-.016	-1.683	.093	-.011	-1.257	.209	-.008	-1.399	.162
<i>LPROPERTY</i>	.015	3.331	.001	.013	3.333	.001	.002	.676	.499	.010	4.263	.000
<i>LSHARES</i>	.007	1.437	.151	.008	1.950	.051	.009	2.817	.005	.009	3.798	.000
<i>FOREIGN</i>	-.153	-2.140	.033	-.030	-.432	.666	-.059	-1.218	.224	-.069	-1.903	.057
<i>LCONT</i>	-.014	-2.736	.006	-.001	-.240	.810	.008	2.184	.029	-.001	-.585	.559
<i>ARTWORK</i>	.087	.575	.565	.173	1.524	.128	-.024	-.137	.891	.065	.722	.471
<i>BORROWING</i>	.247	1.441	.150	-.434	-2.823	.005	.170	1.374	.170	-.044	-.502	.616
<i>RESERVEACCTS</i>	.063	.209	.834	.304	1.460	.145	.627	3.228	.001	.433	3.261	.001
<i>INHOUSE</i>	.520	2.999	.003	.041	.304	.761	-.007	-.045	.964	.128	1.414	.157
<i>DISPOSAL</i>	.206	3.694	.000	.090	2.180	.029	.080	2.315	.021	.115	4.765	.000
<i>LOSSES</i>	.215	2.236	.026	.134	1.809	.071	.228	4.348	.000	.192	4.888	.000
<i>OPINION</i>	.169	1.427	.154	.150	1.849	.065	-.116	-1.072	.284	.090	1.480	.139
<i>LAG</i>	-.012	-.266	.790	-.034	-.907	.365	.026	.779	.436	-.009	-.397	.691
<i>AG</i>	.596	2.061	.039	.062	.395	.693				.169	1.525	.127
<i>RCA</i>	.363	2.010	.045	.154	1.058	.290	-.007	-.096	.924	.108	1.629	.103
<i>CPA_ICAA_IPA</i>	.106	.640	.522	-.027	-.199	.842	-.049	-.703	.482	-.025	-.422	.673
F-statistic		7.698	.000		8.667	.000		12.091	.000		23.380	.000
Adjusted R ²		.055			.053			.061			.051	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix AQ.6: Total fee estimation of professional body premiums for TAS SMSFs sample

	Panel A (2008 year n=491)			Panel B (2009 year n=547)			Panel C (2010 year n=652)			Panel D (All years n=1,690)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	1.018	1.350	.178	4.103	6.452	.000	3.773	7.105	.000	3.057	8.029	.000
<i>LASSETS</i>	.337	6.081	.000	.224	4.508	.000	.191	4.429	.000	.242	8.081	.000
<i>PARTICIPANTS</i>	-.005	-.061	.952	-.076	-1.029	.304	-.009	-.148	.883	-.027	-.664	.507
<i>ROA</i>	-.295	-.361	.718	-1.306	-1.545	.123	-.336	-.440	.660	-1.011	-2.071	.039
<i>LCASH</i>	.028	1.393	.164	-.025	-1.002	.317	-.000	-.010	.992	.006	.512	.609
<i>LPROPERTY</i>	-.008	-.911	.363	-.011	-1.220	.223	.007	1.070	.285	-.005	-1.070	.285
<i>LSHARES</i>	.004	.447	.655	.006	.709	.479	.010	1.630	.104	.008	1.783	.075
<i>FOREIGN</i>	-.174	-1.348	.178	.027	.213	.831	-.032	-.300	.764	-.059	-.819	.413
<i>LCONT</i>	-.000	-.001	.999	-.010	-1.013	.311	.005	.680	.497	-.003	-.511	.610
<i>ARTWORK</i>	-.494	-.946	.345	-.003	-.007	.995	-.000	-.003	.998	-.117	-.585	.559
<i>BORROWING</i>	1.054	3.912	.000	.203	.409	.683	-.079	-.280	.779	.161	.676	.499
<i>RESERVEACCTS</i>	.279	.783	.434	.439	.470	.639	-.651	-3.800	.000	.009	.026	.979
<i>INHOUSE</i>	.538	1.495	.136	.469	1.592	.112	.409	1.960	.050	.397	2.434	.015
<i>DISPOSAL</i>	.405	3.198	.002	.343	3.436	.001	.155	2.113	.035	.263	4.638	.000
<i>LOSSES</i>	.654	3.573	.000	-.066	-.381	.704	.137	1.317	.189	.203	2.474	.013
<i>OPINION</i>	-.053	-.169	.866	-.488	-1.153	.249	.171	1.007	.314	-.068	-.415	.678
<i>LAG</i>	.121	1.261	.208	.033	.368	.713	.113	1.682	.093	.070	1.438	.151
<i>AG</i>	2.094	5.116	.000							1.729	9.732	.000
<i>RCA</i>	.304	.710	.478	.281	.750	.453	.586	2.616	.009	.431	2.320	.021
<i>CPA_ICAA_IPA</i>	.468	1.158	.248	-.118	-.328	.743	.081	.400	.689	.155	.902	.367
F-statistic		5.658	.000		4.327	.000		6.759	.000		12.301	.000
Adjusted R ²		.153			.099			.137			.113	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix AQ.7: Total fee estimation of professional body premiums for VIC SMSFs sample

	Panel A (2008 year n=9,572)			Panel B (2009 year n=10,921)			Panel C (2010 year n=12,289)			Panel D (All years n=32,782)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	3.735	26.437	.000	3.553	32.260	.000	3.531	34.373	.000	3.574	53.438	.000
LASSETS	.185	15.211	.000	.198	18.961	.000	.190	20.010	.000	.191	31.279	.000
PARTICIPANTS	.029	1.838	.066	.010	.802	.423	-.008	-.634	.526	.011	1.410	.159
ROA	-.482	-2.893	.004	-1.404	-7.165	.000	-.997	-6.343	.000	-.850	-8.744	.000
LCASH	-.007	-1.335	.182	-.000	-.074	.941	-.005	-1.321	.187	-.004	-1.679	.093
LPROPERTY	.006	2.671	.008	.002	1.376	.169	.003	2.171	.030	.004	3.512	.000
LSHARES	.004	1.537	.124	.007	3.624	.000	.004	2.785	.005	.005	4.781	.000
FOREIGN	-.074	-2.008	.045	-.020	-.690	.490	.031	1.065	.287	-.017	-.932	.351
LCONT	-.002	-.859	.390	-.001	-.579	.563	-.000	-.099	.921	-.001	-1.024	.306
ARTWORK	.386	5.165	.000	.300	4.357	.000	.253	4.057	.000	.311	7.888	.000
BORROWING	.017	.162	.871	-.040	-.515	.607	-.009	-.171	.865	-.018	-.437	.662
RESERVEACCTS	.350	2.522	.012	.274	2.931	.003	-.181	-2.731	.006	.092	1.658	.097
INHOUSE	.071	.925	.355	.132	2.070	.039	.119	2.468	.014	.105	2.877	.004
DISPOSAL	.283	10.959	.000	.098	5.230	.000	.090	5.421	.000	.139	12.257	.000
LOSSES	.258	5.823	.000	.168	5.137	.000	.162	6.536	.000	.193	10.602	.000
OPINION	.117	2.113	.035	.214	4.711	.000	.038	.825	.409	.132	4.691	.000
LAG	.025	1.247	.212	.010	.524	.601	.060	3.578	.000	.031	2.900	.004
AG	.753	1.353	.176	.745	4.083	.000				.831	4.681	.000
RCA	.060	1.281	.200	.250	6.707	.000	.435	13.229	.000	.295	13.607	.000
CPA_ICAA_IPA	.033	.779	.436	.200	6.252	.000	.379	14.515	.000	.252	13.708	.000
F-statistic		39.491	.000		53.427	.000		78.507	.000		152.512	.000
Adjusted R ²		.071			.084			.102			.081	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, LCONT = natural log of total concessional contributions received, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, RESERVEACCTS = 1 if reserve accounts, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, AG = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, RCA = 1 if auditor is a registered company auditor, CPA_ICAA_IPA = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix AQ.8: Total fee estimation of professional body premiums for WA SMSFs sample

	Panel A (2008 year n=4,224)			Panel B (2009 year n=5,181)			Panel C (2010 year n=5,594)			Panel D (All years n=14,999)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	2.669	10.938	.000	2.936	14.162	.000	3.397	18.764	.000	3.038	25.119	.000
<i>LASSETS</i>	.315	15.673	.000	.259	15.956	.000	.228	15.090	.000	.263	26.885	.000
<i>PARTICIPANTS</i>	.005	.171	.864	.051	2.338	.019	.007	.396	.692	.021	1.628	.104
<i>ROA</i>	-.690	-2.720	.007	-1.971	-7.289	.000	-1.701	-8.946	.000	-1.455	-10.682	.000
<i>LCASH</i>	-.001	-.082	.935	.001	.180	.858	.004	.636	.525	.003	.682	.495
<i>LPROPERTY</i>	-.006	-1.860	.063	-.007	-2.655	.008	-.002	-.665	.506	-.005	-3.294	.001
<i>LSHARES</i>	-.004	-1.019	.309	.003	1.092	.275	.002	.935	.350	.001	.759	.448
<i>FOREIGN</i>	-.185	-2.910	.004	-.145	-2.742	.006	-.262	-6.226	.000	-.204	-6.735	.000
<i>LCONT</i>	-.021	-4.773	.000	-.011	-3.222	.001	-.009	-3.032	.002	-.013	-6.618	.000
<i>ARTWORK</i>	.188	1.615	.106	.138	1.904	.057	.090	1.480	.139	.136	2.921	.004
<i>BORROWING</i>	-.243	-2.124	.034	-.236	-2.737	.006	-.254	-4.717	.000	-.238	-5.498	.000
<i>RESERVEACCTS</i>	.010	.045	.964	-.077	-.278	.781	.126	.861	.390	.020	.166	.868
<i>INHOUSE</i>	-.016	-.137	.891	-.078	-.822	.411	-.021	-.216	.829	-.031	-.509	.611
<i>DISPOSAL</i>	.280	6.753	.000	.305	10.399	.000	.307	11.366	.000	.297	16.489	.000
<i>LOSSES</i>	.183	2.973	.003	.059	1.367	.172	.071	2.122	.034	.109	4.416	.000
<i>OPINION</i>	-.143	-2.036	.042	.018	.272	.786	.279	4.216	.000	.041	1.035	.301
<i>LAG</i>	.136	3.992	.000	-.056	-1.968	.049	-.018	-.709	.479	.006	.367	.714
<i>AG</i>	.090	.381	.703	.390	.880	.379				.270	1.427	.154
<i>RCA</i>	-.118	-1.051	.293	.157	1.661	.097	.123	1.700	.089	.052	.962	.336
<i>CPA_ICAA_IPA</i>	-.112	-1.112	.266	.326	3.789	.000	.250	3.874	.000	.164	3.385	.001
F-statistic		26.372	.000		34.583	.000		41.332	.000		92.725	.000
Adjusted R ²		.102			.110			.115			.104	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

**Appendix AR: Total fee estimation of professional body premiums for Australian SMSFs sample, 2008-2010
redefining dependent variable as total auditor work – interaction with industry leaders
(Dependent variable is log of combined audit and non-audit fees)**

	Panel A (2008 year n=33,578)			Panel B (2009 year n=38,238)			Panel C (2010 year n=42,228)			Panel D (All years n=114,044)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	3.337	40.204	.000	3.638	51.279	.000	3.677	58.133	.000	3.575	86.671	.000
<i>LASSETS</i>	.224	32.838	.000	.200	33.412	.000	.192	35.388	.000	.204	58.340	.000
<i>PARTICIPANTS</i>	.015	1.687	.092	.030	4.020	.000	.008	1.132	.258	.018	4.022	.000
<i>ROA</i>	-.343	-3.587	.000	-1.122	-10.010	.000	-.865	-10.117	.000	-.696	-12.779	.000
<i>LCASH</i>	-.006	-2.248	.025	-.003	-1.250	.211	-.001	-.340	.734	-.003	-2.365	.018
<i>LPROPERTY</i>	.005	4.015	.000	.002	1.689	.091	.003	3.088	.002	.003	4.687	.000
<i>LSHARES</i>	.003	2.508	.012	.008	7.632	.000	.007	7.884	.000	.006	10.594	.000
<i>FOREIGN</i>	-.054	-2.472	.013	-.052	-2.832	.005	-.054	-3.282	.001	-.054	-4.963	.000
<i>LCONT</i>	-.004	-2.905	.004	-.001	-1.237	.216	-.000	-.449	.654	-.002	-2.583	.010
<i>ARTWORK</i>	.252	6.183	.000	.198	5.853	.000	.115	3.686	.000	.186	9.171	.000
<i>BORROWING</i>	-.002	-.043	.966	-.086	-2.246	.025	-.106	-3.932	.000	-.087	-4.229	.000
<i>RESERVEACCTS</i>	.127	1.753	.080	.098	1.593	.111	-.031	-.702	.483	.040	1.235	.217
<i>INHOUSE</i>	.041	1.009	.313	.072	2.196	.028	.079	2.638	.008	.065	3.237	.001
<i>DISPOSAL</i>	.250	17.061	.000	.137	12.674	.000	.113	12.007	.000	.156	24.175	.000
<i>LOSSES</i>	.286	12.212	.000	.165	9.304	.000	.206	15.398	.000	.215	21.896	.000
<i>OPINION</i>	.049	1.677	.094	.137	5.230	.000	.105	4.428	.000	.098	6.368	.000
<i>LAG</i>	.039	3.313	.001	.012	1.076	.282	.051	5.496	.000	.033	5.438	.000
<i>AG</i>	.507	3.274	.001	.332	3.134	.002				.426	4.864	.000
<i>RCA</i>	.089	2.714	.007	.195	7.352	.000	.238	11.297	.000	.186	12.505	.000
<i>CPA_ICAA_IPA</i>	.137	4.710	.000	.193	8.389	.000	.219	12.639	.000	.192	15.041	.000
<i>LEADER_ALL</i>	.258	4.871	.000	-.456	-11.329	.000	-.719	-31.555	.000	-.513	-21.639	.000
<i>CPAAICAAIPA*LEADER_ALL</i>	-.319	-5.173	.000	.398	8.199	.000	.698	22.267	.000	.469	16.743	.000
F-statistic		128.291	.000		146.268	.000		200.306	.000		442.262	.000
Adjusted R ²		.074			.074			.086			.075	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards, *LEADER_ALL* = 1 if top ten leading auditor.

**Appendix AS: Total fee estimation of professional body premiums for Australian SMSFs sample by state/territory, 2008-2010
redefining dependent variable as total auditor work**

(Dependent variable is log of combined audit and non-audit fees)

Appendix AS.1: Total fee estimation of professional body premiums for NSW SMSFs sample – interaction with industry leaders

	Panel A (2008 year n=10,830)			Panel B (2009 year n=11,937)			Panel C (2010 year n=12,910)			Panel D (All years n=35,677)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	3.073	20.714	.000	3.616	26.588	.000	3.569	29.353	.000	3.441	44.450	.000
<i>LASSETS</i>	.247	20.300	.000	.203	17.732	.000	.204	19.789	.000	.217	33.337	.000
<i>PARTICIPANTS</i>	.002	.115	.908	.037	2.717	.007	.011	.878	.380	.016	1.973	.049
<i>ROA</i>	-.427	-2.280	.023	-1.033	-4.289	.000	-.950	-5.645	.000	-.687	-6.297	.000
<i>LCASH</i>	-.004	-.889	.374	-.005	-1.005	.315	.002	.427	.670	-.003	-1.133	.257
<i>LPROPERTY</i>	.005	2.002	.045	.002	.909	.363	.004	2.464	.014	.003	2.795	.005
<i>LSHARES</i>	.003	1.401	.161	.010	5.107	.000	.008	5.150	.000	.007	6.656	.000
<i>FOREIGN</i>	.053	1.199	.231	-.068	-1.769	.077	-.044	-1.206	.228	-.023	-1.015	.310
<i>LCONT</i>	-.000	-.070	.945	.000	.017	.986	-.000	-.164	.870	.000	.062	.950
<i>ARTWORK</i>	.264	3.802	.000	.176	2.918	.004	.056	.916	.360	.167	4.533	.000
<i>BORROWING</i>	-.004	-.038	.970	-.013	-.180	.857	-.184	-3.572	.000	-.115	-2.905	.004
<i>RESERVEACCTS</i>	-.029	-.232	.817	-.049	-.489	.625	-.108	-1.271	.204	-.086	-1.489	.136
<i>INHOUSE</i>	-.065	-.851	.395	.073	1.319	.187	.057	1.083	.279	.023	.654	.513
<i>DISPOSAL</i>	.313	11.539	.000	.144	7.014	.000	.117	6.613	.000	.181	14.864	.000
<i>LOSSES</i>	.327	7.768	.000	.172	5.034	.000	.239	9.216	.000	.242	12.976	.000
<i>OPINION</i>	.003	.054	.957	.112	2.145	.032	.053	1.274	.203	.056	1.899	.058
<i>LAG</i>	.025	1.112	.266	.017	.832	.405	.072	4.013	.000	.038	3.269	.001
<i>AG</i>	.625	2.173	.030	.482	2.145	.032				.561	3.015	.003
<i>RCA</i>	.104	1.739	.082	.283	5.976	.000	.264	6.865	.000	.227	8.362	.000
<i>CPA_ICAA_IPA</i>	.198	3.914	.000	.276	6.966	.000	.238	8.078	.000	.242	10.951	.000
<i>LEADER_ALL</i>	-.535	-13.373	.000	-1.725	-46.151	.000	-.856	-4.168	.000	-.956	-4.754	.000
<i>CPAAICAAIPA*LEADER_ALL</i>	-.258	-3.737	.000	1.018	17.871	.000	.260	1.253	.210	.278	1.375	.169
F-statistic		54.876	.000		48.581	.000		62.392	.000		156.772	.000
Adjusted R ²		.095			.077			.087			.084	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix AS.2: Total fee estimation of professional body premiums for QLD SMSFs sample – interaction with industry leaders

	Panel A (2008 year n=5,821)			Panel B (2009 year n=6,541)			Panel C (2010 year n=7,176)			Panel D (All years n=19,538)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept				3.784	24.014	.000	4.039	28.394	.000	3.942	42.180	.000
<i>LASSETS</i>				.193	14.878	.000	.178	14.762	.000	.185	23.650	.000
<i>PARTICIPANTS</i>				.024	1.273	.203	-.010	-.655	.513	.005	.440	.660
<i>ROA</i>				-.661	-2.996	.003	-.449	-2.241	.025	-.262	-2.243	.025
<i>LCASH</i>				-.003	-.520	.603	.000	.039	.969	-.006	-1.879	.060
<i>LPROPERTY</i>				.003	1.361	.174	.003	1.309	.191	.005	3.807	.000
<i>LSHARES</i>				.009	4.019	.000	.009	4.639	.000	.009	6.798	.000
<i>FOREIGN</i>				.099	2.232	.026	.012	.353	.724	.056	2.313	.021
<i>LCONT</i>				-.002	-.725	.469	-.002	-.851	.395	-.002	-1.026	.305
<i>ARTWORK</i>				.083	1.011	.312	.015	.221	.825	.045	.983	.326
<i>BORROWING</i>				.007	.094	.925	-.114	-2.166	.030	-.055	-1.252	.211
<i>RESERVEACCTS</i>				-.017	-.105	.917	-.048	-.662	.508	.009	.136	.892
<i>INHOUSE</i>				.038	.529	.597	.162	2.359	.018	.117	2.728	.006
<i>DISPOSAL</i>				.109	4.381	.000	.090	4.264	.000	.115	7.779	.000
<i>LOSSES</i>				.208	5.309	.000	.244	8.447	.000	.239	10.870	.000
<i>OPINION</i>				.201	3.475	.001	.174	3.999	.000	.158	5.030	.000
<i>LAG</i>				.095	3.765	.000	.058	2.832	.005	.057	4.159	.000
<i>AG</i>				-.264	-.957	.339				-.128	-.635	.525
<i>RCA</i>				-.058	-.919	.358	-.090	-1.662	.097	-.089	-2.434	.015
<i>CPA_ICAA_IPA</i>				.061	1.097	.273	.004	.086	.931	.056	1.745	.081
<i>LEADER_ALL</i>				-.194	-.320	.749	-.250	-1.773	.076	-.173	-1.220	.223
<i>CPAAICAAIPA*LEADER_ALL</i>				-.182	-.301	.764	-.069	-.484	.628	-.194	-1.359	.174
F-statistic					28.340	.000		33.137	.000		78.619	.000
Adjusted R ²					.081			.082			.077	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix AS.3: Total fee estimation of professional body premiums for SA SMSFs sample – interaction with industry leaders

	Panel A (2008 year n=2,200)			Panel B (2009 year n=2,604)			Panel C (2010 year n=3,059)			Panel D (All years n=7,863)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	3.713	10.428	.000	4.004	13.770	.000	3.909	15.832	.000	3.940	23.724	.000
<i>LASSETS</i>	.180	6.466	.000	.191	8.155	.000	.192	8.830	.000	.186	13.407	.000
<i>PARTICIPANTS</i>	.060	1.752	.080	.051	1.849	.065	.050	1.930	.054	.054	3.207	.001
<i>ROA</i>	-.214	-5.70	.568	-.598	-1.282	.200	-.717	-2.254	.024	-.494	-2.340	.019
<i>LCASH</i>	.000	.011	.991	-.020	-2.226	.026	-.016	-1.825	.068	-.013	-2.322	.020
<i>LPROPERTY</i>	.009	1.936	.053	.007	1.747	.081	-.002	-.647	.518	.004	1.787	.074
<i>LSHARES</i>	.007	1.309	.191	.008	1.908	.057	.009	2.701	.007	.009	3.609	.000
<i>FOREIGN</i>	-.071	-1.038	.299	.015	.219	.826	-.001	-.018	.986	-.008	-.241	.810
<i>LCONT</i>	-.016	-3.079	.002	-.004	-1.007	.314	.005	1.465	.143	-.004	-1.704	.089
<i>ARTWORK</i>	.020	.135	.893	.128	1.133	.257	-.083	-.461	.645	.008	.086	.932
<i>BORROWING</i>	.236	1.443	.149	-.381	-2.563	.010	.176	1.450	.147	-.017	-.203	.839
<i>RESERVEACCTS</i>	-.056	-.190	.850	.173	.837	.403	.549	2.866	.004	.330	2.502	.012
<i>INHOUSE</i>	.429	2.510	.012	.022	.167	.867	-.048	-.306	.760	.085	.948	.343
<i>DISPOSAL</i>	.269	4.844	.000	.141	3.473	.001	.114	3.309	.001	.161	6.741	.000
<i>LOSSES</i>	.210	2.197	.028	.141	1.926	.054	.266	5.128	.000	.215	5.521	.000
<i>OPINION</i>	.123	1.052	.293	.072	.896	.370	-.140	-1.301	.193	.042	.704	.481
<i>LAG</i>	.025	.580	.562	.045	1.254	.210	.050	1.516	.130	.035	1.644	.100
<i>AG</i>	.557	1.873	.061	.069	.438	.662				.163	1.450	.147
<i>RCA</i>	.360	1.983	.048	.135	.922	.357	-.029	-.365	.715	.088	1.319	.187
<i>CPA_ICAA_IPA</i>	.200	1.202	.229	.064	.469	.639	.009	.128	.898	.051	.838	.402
<i>LEADER_ALL</i>	-.791	-5.707	.000	-.416	-2.084	.037	-.347	-1.746	.081	-.375	-2.630	.009
<i>CPAAICAAIPA*LEADER_ALL</i>	.149	1.037	.300	-.175	-.858	.391	-.090	-.447	.655	-.169	-1.178	.239
F-statistic		12.779	.000		15.248	.000		17.077	.000		39.981	.000
Adjusted R ²		.101			.103			.095			.094	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix AS.4: Total fee estimation of professional body premiums for VIC SMSFs sample – interaction with industry leaders

	Panel A (2008 year n=9,572)			Panel B (2009 year n=10,921)			Panel C (2010 year n=12,289)			Panel D (All years n=32,782)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	3.654	25.267	.000	3.754	32.470	.000	3.792	35.637	.000	3.738	53.770	.000
<i>LASSETS</i>	.187	15.379	.000	.192	18.259	.000	.181	19.016	.000	.186	30.255	.000
<i>PARTICIPANTS</i>	.028	1.775	.076	.013	.997	.319	-.004	-.352	.725	.013	1.661	.097
<i>ROA</i>	-.478	-2.870	.004	-1.335	-6.815	.000	-.899	-5.772	.000	-.822	-8.476	.000
<i>LCASH</i>	-.007	-1.350	.177	.000	.024	.981	-.005	-1.224	.221	-.004	-1.492	.136
<i>LPROPERTY</i>	.006	2.650	.008	.003	1.460	.144	.003	2.150	.032	.004	3.505	.001
<i>LSHARES</i>	.004	1.496	.135	.007	3.673	.000	.005	2.955	.003	.005	4.942	.000
<i>FOREIGN</i>	-.071	-1.920	.055	-.023	-.808	.419	.024	.842	.400	-.020	-1.123	.262
<i>LCONT</i>	-.002	-.851	.395	-.001	-.560	.576	-.000	-.012	.991	-.001	-.919	.358
<i>ARTWORK</i>	.390	5.216	.000	.295	4.289	.000	.247	3.958	.000	.307	7.766	.000
<i>BORROWING</i>	.016	.158	.874	-.036	-.470	.638	-.011	-.202	.840	-.018	-.450	.653
<i>RESERVEACCTS</i>	.353	2.559	.011	.274	2.930	.003	-.170	-2.548	.011	.096	1.731	.084
<i>INHOUSE</i>	.070	.922	.357	.132	2.070	.039	.118	2.456	.014	.104	2.868	.004
<i>DISPOSAL</i>	.284	10.977	.000	.106	5.623	.000	.095	5.767	.000	.144	12.669	.000
<i>LOSSES</i>	.259	5.840	.000	.170	5.216	.000	.161	6.528	.000	.193	10.603	.000
<i>OPINION</i>	.120	2.167	.030	.202	4.462	.000	.027	.595	.552	.123	4.374	.000
<i>LAG</i>	.027	1.340	.180	.008	.444	.657	.058	3.512	.000	.030	2.794	.005
<i>AG</i>	.807	1.448	.148	.612	3.328	.001				.725	4.070	.000
<i>RCA</i>	.111	2.158	.031	.115	2.585	.010	.278	7.459	.000	.187	7.518	.000
<i>CPA_ICAA_IPA</i>	.090	1.893	.059	.067	1.644	.100	.219	6.961	.000	.144	6.531	.000
<i>LEADER_ALL</i>	.376	6.047	.000	-.436	-8.514	.000	-.629	-19.268	.000	-.439	-14.779	.000
<i>CPAAICAAIPA*LEADER_ALL</i>	-.482	-7.077	.000	.400	6.782	.000	.666	16.686	.000	.404	12.071	.000
F-statistic		36.433	.000		50.580	.000		78.408	.000		144.135	.000
Adjusted R ²		.072			.087			.112			.084	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix AT: Total fee estimation of professional body premiums (split) for Australian SMSFs sample by state/territory, 2008-2010 redefining dependent variable as total auditor work

(Dependent variable is log of combined audit and non-audit fees)

	<u>Panel A (2008 year n=33,578)</u>			<u>Panel B (2009 year n=38,238)</u>			<u>Panel C (2010 year n=42,228)</u>			<u>Panel D (All years n=114,044)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	3.479	43.651	.000	3.774	55.084	.000	3.813	60.461	.000	3.712	92.064	.000
<i>LASSETS</i>	.214	31.347	.000	.194	32.500	.000	.189	34.784	.000	.198	56.777	.000
<i>PARTICIPANTS</i>	.020	2.179	.029	.032	4.290	.000	.009	1.399	.162	.020	4.544	.000
<i>ROA</i>	-.328	-3.462	.001	-1.101	-9.855	.000	-.842	-9.850	.000	-.675	-12.435	.000
<i>LCASH</i>	-.006	-2.246	.025	-.004	-1.501	.133	-.001	-.456	.648	-.004	-2.577	.010
<i>LPROPERTY</i>	.006	4.644	.000	.002	2.210	.027	.003	3.460	.001	.003	5.517	.000
<i>LSHARES</i>	.003	2.718	.007	.008	7.589	.000	.007	7.669	.000	.006	10.541	.000
<i>FOREIGN</i>	-.057	-2.661	.008	-.055	-2.991	.003	-.050	-3.042	.002	-.054	-4.981	.000
<i>LCONT</i>	-.004	-3.140	.002	-.002	-1.444	.149	-.001	-.754	.451	-.002	-3.035	.002
<i>ARTWORK</i>	.247	6.121	.000	.202	6.018	.000	.118	3.787	.000	.188	9.320	.000
<i>BORROWING</i>	.002	.039	.969	-.087	-2.268	.023	-.104	-3.870	.000	-.084	-4.092	.000
<i>RESERVEACCTS</i>	.143	1.984	.047	.103	1.677	.094	-.025	-.563	.573	.049	1.512	.131
<i>INHOUSE</i>	.034	.845	.398	.064	1.971	.049	.073	2.432	.015	.058	2.902	.004
<i>DISPOSAL</i>	.245	16.774	.000	.128	11.936	.000	.105	11.212	.000	.149	23.070	.000
<i>LOSSES</i>	.280	11.976	.000	.160	9.028	.000	.204	15.329	.000	.211	21.540	.000
<i>OPINION</i>	.060	2.055	.040	.146	5.570	.000	.115	4.875	.000	.107	7.013	.000
<i>LAG</i>	.032	2.719	.007	.010	.949	.343	.048	5.165	.000	.030	4.890	.000
<i>AG</i>	.489	3.189	.001	.280	2.672	.008				.366	4.205	.000
<i>RCA</i>	.076	3.031	.002	.144	6.635	.000	.150	8.309	.000	.127	10.392	.000
<i>CPA</i>	.221	10.687	.000	.223	12.514	.000	.203	14.363	.000	.216	21.812	.000
<i>ICAA</i>	-.011	-.510	.610	.050	2.734	.006	.064	4.448	.000	.037	3.623	.000
<i>ATMA</i>	.146	2.882	.004	-.182	-5.670	.000	-.334	-12.534	.000	-.189	-9.600	.000
<i>NTAA</i>	-.082	-2.173	.030	-.055	-1.668	.095	-.033	-1.200	.230	-.054	-2.900	.004
F-statistic		139.270	.000		152.994	.000		198.680	.000		460.455	.000
Adjusted R ²		.083			.080			.090			.081	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA* = 1 if auditor is a Certified Practising Accountant, *ICAA* = 1 if auditor is a Chartered Accountant, *ATMA* = 1 if auditor is a Fellow of the Association of Taxation and Management Accountants, *NTAA* = 1 if auditor is a Fellow of the National Taxation and Accountants' Association.

Appendix AU: ROA estimation for industry leaders for Australian SMSFs sample, 2008-2010
(Dependent variable is return on average assets)

Appendix AU.1: ROA estimation for industry leaders for Australian SMSFs sample, 2008-2010

	<u>Panel A (2008 year n=27,075)</u>			<u>Panel B (2009 year n=33,765)</u>			<u>Panel C (2010 year n=38,828)</u>			<u>Panel D (All years n=99,668)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.087	-11.378	.000	-.148	-24.389	.000	-.119	-20.045	.000	-.122	-32.657	.000
<i>LASSETS</i>	.011	17.572	.000	.016	30.468	.000	.015	27.767	.000	.015	45.762	.000
<i>PARTICIPANTS</i>	-.001	-.991	.322	-.000	-.255	.799	-.001	-2.695	.007	-.001	-3.099	.002
<i>LCASH</i>	.001	5.371	.000	.001	10.004	.000	.001	5.206	.000	.001	9.525	.000
<i>LPROPERTY</i>	-.001	-9.614	.000	-.000	-7.679	.000	-.000	-.916	.360	-.000	-10.407	.000
<i>LSHARES</i>	-.000	-5.468	.000	.000	4.944	.000	.000	8.124	.000	.000	2.849	.004
<i>FOREIGN</i>	-.011	-7.272	.000	-.008	-7.212	.000	-.013	-12.733	.000	-.011	-15.366	.000
<i>LCONT</i>	-.000	-4.978	.000	-.000	-4.969	.000	-.000	-.013	.990	-.000	-4.264	.000
<i>ARTWORK</i>	-.002	-.843	.400	-.007	-3.182	.002	-.003	-1.304	.192	-.004	-3.117	.002
<i>BORROWING</i>	-.013	-3.195	.001	-.016	-7.407	.000	-.021	-13.832	.000	-.022	-17.097	.000
<i>RESERVEACCTS</i>	.011	2.036	.042	-.004	-1.055	.292	-.004	-1.464	.143	-.003	-1.220	.222
<i>INHOUSE</i>	.005	2.086	.037	.005	2.083	.037	.003	1.477	.140	.004	2.706	.007
<i>DISPOSAL</i>	.045	47.271	.000	.010	15.398	.000	.014	21.606	.000	.023	52.736	.000
<i>OPINION</i>	-.006	-2.935	.003	-.003	-1.673	.094	-.004	-1.965	.050	-.004	-3.349	.001
<i>LAG</i>	-.002	-1.863	.062	-.004	-5.657	.000	-.001	-1.851	.064	.001	2.250	.025
<i>LAF</i>	-.005	-6.670	.000	-.008	-13.819	.000	-.009	-16.400	.000	-.008	-22.728	.000
<i>LEADER_ALL</i>	-.007	-3.936	.000	-.005	-4.491	.000	-.006	-4.417	.000	-.008	-9.245	.000
F-statistic		250.961	.000		371.977	.000		331.221	.000		892.220	.000
Adjusted R ²		.129			.150			.120			.125	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LAF* = natural log of audit fees, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix AU.2: ROA estimation for industry leaders (split) for Australian SMSFs sample, 2008-2010

	<u>Panel A (2008 year n=27,075)</u>			<u>Panel B (2009 year n=33,765)</u>			<u>Panel C (2010 year n=38,828)</u>			<u>Panel D (All years n=99,668)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.087	-11.397	.000	-.148	-24.466	.000	-.119	-20.117	.000	-.123	-32.784	.000
<i>LASSETS</i>	.011	17.584	.000	.016	30.523	.000	.015	27.748	.000	.015	45.783	.000
<i>PARTICIPANTS</i>	-.001	-1.000	.317	-.000	-.272	.786	-.001	-2.700	.007	-.001	-3.117	.002
<i>LCASH</i>	.001	5.336	.000	.001	9.939	.000	.001	5.196	.000	.001	9.456	.000
<i>LPROPERTY</i>	-.001	-9.647	.000	-.000	-7.756	.000	-.000	-.890	.373	-.000	-10.432	.000
<i>LSHARES</i>	-.000	-5.412	.000	.000	5.004	.000	.000	8.176	.000	.000	2.960	.003
<i>FOREIGN</i>	-.011	-7.238	.000	-.007	-7.151	.000	-.013	-12.702	.000	-.011	-15.287	.000
<i>LCONT</i>	-.000	-4.959	.000	-.000	-4.988	.000	-.000	-.013	.990	-.000	-4.249	.000
<i>ARTWORK</i>	-.003	-.852	.394	-.007	-3.199	.001	-.003	-1.302	.193	-.004	-3.127	.002
<i>BORROWING</i>	-.013	-3.198	.001	-.016	-7.395	.000	-.021	-13.865	.000	-.022	-17.126	.000
<i>RESERVEACCTS</i>	.011	2.035	.042	-.004	-1.067	.286	-.004	-1.451	.147	-.003	-1.223	.221
<i>INHOUSE</i>	.005	2.080	.038	.005	2.071	.038	.003	1.480	.139	.004	2.699	.007
<i>DISPOSAL</i>	.045	47.281	.000	.010	15.369	.000	.014	21.553	.000	.023	52.640	.000
<i>OPINION</i>	-.006	-2.926	.003	-.003	-1.700	.089	-.004	-1.944	.052	-.004	-3.339	.001
<i>LAG</i>	-.002	-1.849	.065	-.004	-5.490	.000	-.001	-1.847	.065	.001	2.316	.021
<i>LAF</i>	-.005	-6.698	.000	-.008	-13.862	.000	-.009	-16.408	.000	-.008	-22.698	.000
<i>LEADER_1</i>	-.010	-2.795	.005	-.012	-6.790	.000	-.007	-3.066	.002	-.011	-7.525	.000
<i>LEADER_OTHER</i>	-.007	-3.345	.001	-.004	-2.220	.026	-.005	-3.335	.001	-.006	-6.153	.000
F-statistic		236.378	.000		350.702	.000		311.563	.000		839.513	.000
Adjusted R ²		.129			.150			.120			.125	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LAF* = natural log of audit fees, *LEADER_1* = 1 if leading auditor, *LEADER_OTHER* = 1 if top ten leading auditor, other than leading auditor.

Appendix AU.3: ROA estimation for professional bodies for Australian SMSFs sample, 2008-2010

	Panel A (2008 year n=27,075)			Panel B (2009 year n=33,765)			Panel C (2010 year n=38,828)			Panel D (All years n=99,668)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.089	-11.381	.000	-.147	-23.991	.000	-.118	-19.653	.000	-.123	-32.502	.000
LASSETS	.011	17.499	.000	.016	30.447	.000	.015	27.742	.000	.015	45.620	.000
PARTICIPANTS	-.001	-.982	.326	-.000	-.308	.758	-.001	-2.721	.007	-.001	-3.108	.002
LCASH	.001	5.300	.000	.001	9.968	.000	.001	5.278	.000	.001	9.495	.000
LPROPERTY	-.001	-9.452	.000	-.000	-7.526	.000	-.000	-.638	.524	-.000	-10.013	.000
LSHARES	-.000	-5.469	.000	.000	4.959	.000	.000	8.168	.000	.000	2.876	.004
FOREIGN	-.011	-7.322	.000	-.008	-7.172	.000	-.013	-12.628	.000	-.011	-15.397	.000
LCONT	-.000	-4.897	.000	-.000	-4.860	.000	.000	.074	.941	-.000	-4.078	.000
ARTWORK	-.002	-.778	.436	-.007	-3.148	.002	-.002	-1.242	.214	-.004	-2.988	.003
BORROWING	-.013	-3.157	.002	-.016	-7.415	.000	-.021	-13.846	.000	-.022	-17.131	.000
RESERVEACCTS	.011	2.025	.043	-.004	-.977	.329	-.004	-1.409	.159	-.002	-1.149	.251
INHOUSE	.006	2.124	.034	.005	2.090	.037	.003	1.590	.112	.004	2.801	.005
DISPOSAL	.044	47.198	.000	.010	15.073	.000	.014	21.260	.000	.023	52.238	.000
OPINION	-.006	-2.905	.004	-.003	-1.669	.095	-.004	-2.015	.044	-.004	-3.376	.001
LAG	-.002	-2.046	.041	-.004	-5.748	.000	-.001	-1.880	.060	.001	2.053	.040
LAF	-.005	-6.377	.000	-.007	-13.252	.000	-.009	-15.643	.000	-.008	-21.828	.000
AG	.004	.401	.688	.003	.475	.635	-.004	-2.475	.013	.009	1.480	.139
RCA	-.002	-.857	.391	-.004	-2.184	.029				-.002	-1.578	.115
CPA_ICAA_IPA	.001	.496	.620	-.004	-2.721	.007	-.005	-3.453	.001	-.001	-1.318	.188
F-statistic		222.527	.000		330.059	.000		311.282	.000		788.042	.000
Adjusted R ²		.128			.149			.120			.124	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, LCONT = natural log of total concessional contributions received, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, RESERVEACCTS = 1 if reserve accounts, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, LAF = natural log of audit fees, AG = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, RCA = 1 if auditor is a registered company auditor, CPA_ICAA_IPA = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix AU.4: ROA estimation for professional bodies (split) for Australian SMSFs sample, 2008-2010

	Panel A (2008 year n=27,075)			Panel B (2009 year n=33,765)			Panel C (2010 year n=38,828)			Panel D (All years n=99,668)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.090	-11.560	.000	-.154	-25.010	.000	-.126	-21.225	.000	-.128	-33.643	.000
<i>LASSETS</i>	.011	17.537	.000	.017	30.634	.000	.015	27.926	.000	.015	45.802	.000
<i>PARTICIPANTS</i>	-.001	-1.016	.310	-.000	-.463	.644	-.001	-2.946	.003	-.001	-3.296	.001
<i>LCASH</i>	.001	5.265	.000	.001	9.920	.000	.001	5.249	.000	.001	9.421	.000
<i>LPROPERTY</i>	-.001	-9.531	.000	-.000	-7.673	.000	-.000	-.707	.479	-.000	-10.143	.000
<i>LSHARES</i>	-.000	-5.510	.000	.000	4.789	.000	.000	8.110	.000	.000	2.734	.006
<i>FOREIGN</i>	-.011	-7.279	.000	-.007	-7.063	.000	-.013	-12.496	.000	-.011	-15.240	.000
<i>LCONT</i>	-.000	-4.902	.000	-.000	-4.850	.000	.000	.108	.914	-.000	-4.041	.000
<i>ARTWORK</i>	-.002	-.757	.449	-.007	-3.122	.002	-.002	-1.192	.233	-.004	-2.941	.003
<i>BORROWING</i>	-.013	-3.149	.002	-.016	-7.338	.000	-.021	-13.745	.000	-.022	-17.064	.000
<i>RESERVEACCTS</i>	.011	1.991	.047	-.004	-1.008	.313	-.004	-1.487	.137	-.003	-1.224	.221
<i>INHOUSE</i>	.006	2.126	.034	.005	2.066	.039	.003	1.644	.100	.004	2.818	.005
<i>DISPOSAL</i>	.044	47.224	.000	.010	15.097	.000	.014	21.206	.000	.023	52.261	.000
<i>OPINION</i>	-.006	-2.905	.004	-.003	-1.587	.113	-.004	-1.981	.048	-.004	-3.317	.001
<i>LAG</i>	-.002	-2.018	.044	-.004	-5.692	.000	-.001	-1.846	.065	.001	2.161	.031
<i>LAF</i>	-.004	-6.178	.000	-.007	-12.812	.000	-.008	-14.830	.000	-.008	-21.156	.000
<i>AG</i>	.005	.440	.660	.008	1.126	.260	.000	.060	.952	.011	1.856	.064
<i>RCA</i>	-.002	-.861	.389	.001	.653	.514	.000	.060	.952	.011	1.856	.064
<i>CPA</i>	.001	.551	.581	-.000	-.170	.865	-.001	-1.476	.140	.000	.430	.668
<i>ICAA</i>	.003	1.657	.098	.002	2.112	.035	.000	.394	.694	.002	3.172	.002
<i>ATMA</i>	.001	.128	.899	.013	5.486	.000	.014	5.613	.000	.009	5.592	.000
<i>NTAA</i>	.000	.125	.901	-.003	-1.300	.194	-.002	-.903	.366	-.001	-.720	.472
F-statistic		190.963	.000		286.002	.000		268.227	.000		678.967	.000
Adjusted R ²		.128			.151			.121			.125	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LAF* = natural log of audit fees, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA* = 1 if auditor is a Certified Practising Accountant, *ICAA* = 1 if auditor is a Chartered Accountant, *ATMA* = 1 if auditor is a Fellow of the Association of Taxation and Management Accountants, *NTAA* = 1 if auditor is a Fellow of the National Taxation and Accountants' Association.

Appendix AV: Descriptive statistics of self-managed superannuation funds (SMSFs) sample, 2008-2010 (extreme observations)

	<u>Panel A (2008 year n=27,234)</u>			<u>Panel B (2009 year n=33,960)</u>			<u>Panel C (2010 year n=39,055)</u>			<u>Panel D (All years n=100,249)</u>		
	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.	Mean	Median	Std. Dev.
Cash and term deposits	168,260.50	53,373.50	360,961.10	171,001.40	58,120.50	350,075.10	163,482.80	55,601.00	335,678.70	167,327.70	55,831.00	347,587.90
Shares investments	220,664.40	64,145.00	514,506.50	177,517.90	51,743.50	400,726.30	194,151.30	55,202.00	765,614.10	195,719.30	56,100.00	595,773.30
Property investments	102,511.50	-	384,711.20	105,617.80	-	350,828.50	111,598.90	-	350,884.30	107,104.00	-	360,385.90
Artwork, collectables, jewels	1,171.07	-	16,073.75	1,377.42	-	24,332.44	1,618.58	-	28,275.22	1,415.31	-	24,129.69
Overseas assets	8,838.15	-	117,609.40	6,048.20	-	76,669.19	6,224.19	-	81,392.49	6,874.69	-	91,274.52
Total assets	677,933.20	387,286.50	1,064,687.00	608,713.30	346,048.00	875,381.50	622,443.30	354,845.00	1,085,161.00	632,866.70	360,625.00	1,013,442.00
Borrowings	1,134.95	-	29,159.35	4,391.09	-	79,878.72	7,878.27	-	86,082.69	4,865.05	-	72,709.26
Reserve accounts	550.97	-	16,949.18	456.40	-	13,542.14	719.92	-	40,111.72	584.75	-	27,694.42
Concessional contributions	42,787.49	14,066.00	58,733.25	39,337.12	12,217.00	55,762.26	24,920.06	11,822.00	30,674.98	34,657.86	12,500.00	49,186.47
Assessable income	87,458.21	47,473.00	188,533.00	73,373.04	37,030.50	119,098.00	54,094.95	31,659.00	75,119.00	69,689.11	36,929.00	129,785.60
Approved auditor fee	709.78	506.00	753.38	718.48	550.00	718.39	701.17	550.00	629.17	709.37	550.00	695.18
Management and admin fees	2,623.16	1,520.00	7,871.49	2,560.63	1,669.00	4,115.82	2,599.99	1,722.00	4,171.00	2,592.95	1,648.00	5,417.42
Total deductions	8,686.56	3,727.00	151,474.90	8,438.89	3,915.00	79,104.68	7,925.57	3,945.00	20,005.19	8,306.19	3,876.00	92,243.21
Taxable income	78,755.99	40,900.50	115,563.00	64,927.56	30,395.50	94,551.94	46,169.55	25,144.00	70,379.20	61,376.50	30,327.00	93,607.88
<i>LAF</i>	6.32	6.23	.65	6.36	6.31	.62	6.35	6.31	.60	6.34	6.31	.62
<i>LTOTALFEES</i>	6.46	6.31	.82	6.49	6.31	.78	6.46	6.31	.74	6.47	6.31	.78
<i>LASSETS</i>	12.79	12.87	1.21	12.67	12.75	1.24	12.69	12.78	1.23	12.71	12.80	1.23
<i>PARTICIPANTS</i>	1.93	2.00	.66	1.94	2.00	.66	1.94	2.00	.64	1.94	2.00	.66
<i>LCASH</i>	10.52	10.89	2.37	10.57	10.97	2.35	10.59	10.93	2.25	10.57	10.93	2.32
<i>LPROPERTY</i>	2.75	-	5.22	2.66	-	5.18	2.69	-	5.22	2.70	-	5.21
<i>LSHARES</i>	8.24	11.08	5.51	8.00	10.87	5.47	7.93	10.93	5.58	8.04	10.95	5.53
<i>FOREIGN</i>	.07			.07			.07			.07		
<i>LCONT</i>	7.76	9.55	4.49	7.63	9.41	4.48	7.43	9.38	4.34	7.59	9.43	4.43
<i>ARTWORK</i>	.02			.02			.02			.02		
<i>BORROWING</i>	.01			.02			.03			.02		
<i>INHOUSE</i>	.03			.02			.02			.02		
<i>DISPOSAL</i>	.67			.54			.54			.58		
<i>LOSSES</i>	.11			.16			.20			.16		
<i>OPINION</i>	.05			.04			.04			.04		
<i>BREACH</i>	.09			.07			.06			.07		
<i>LAG</i>	.43			.31			.29			.34		
<i>OTHERSERVICES</i>	.16			.14			.11			.13		

Appendix AW: Audit fee estimation of industry leader premiums for Australian SMSFs sample, 2008-2010 (extreme observations)
(Dependent variable is log of audit fees)

	Panel A (2008 year n=27,234)			Panel B (2009 year n=33,960)			Panel C (2010 year n=39,055)			Panel D (All years n=100,249)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.603	89.121	.000	4.590	98.032	.000	4.523	103.339	.000	4.578	169.449	.000
<i>LASSETS</i>	.122	26.936	.000	.126	30.597	.000	.135	34.768	.000	.128	53.646	.000
<i>PARTICIPANTS</i>	.008	1.308	.191	.023	4.493	.000	.015	3.096	.002	.016	5.314	.000
<i>ROA</i>	-.041	-.646	.519	-.379	-4.809	.000	-.541	-8.471	.000	-.367	-9.657	.000
<i>LCASH</i>	-.000	-.110	.912	.001	.354	.723	-.002	-1.434	.152	-.001	-.517	.605
<i>LPROPERTY</i>	.002	1.912	.056	.002	3.089	.002	.002	3.168	.002	.002	4.372	.000
<i>LSHARES</i>	.003	4.277	.000	.006	8.316	.000	.005	8.052	.000	.005	12.542	.000
<i>FOREIGN</i>	-.016	-1.045	.296	-.003	-.267	.790	-.015	-1.270	.204	-.011	-1.498	.134
<i>LCONT</i>	.001	1.220	.222	.001	1.406	.160	.001	.978	.328	.001	1.762	.078
<i>ARTWORK</i>	.139	5.034	.000	.136	5.526	.000	.099	4.434	.000	.124	8.667	.000
<i>BORROWING</i>	.022	.607	.544	-.055	-2.129	.033	-.102	-5.792	.000	-.062	-4.561	.000
<i>RESERVEACCTS</i>	.158	2.633	.009	.157	2.965	.003	.007	0.232	.817	.088	3.420	.001
<i>INHOUSE</i>	.119	4.231	.000	.122	5.520	.000	.101	4.570	.000	.113	8.229	.000
<i>DISPOSAL</i>	.100	10.465	.000	.075	10.318	.000	.064	9.531	.000	.072	16.556	.000
<i>LOSSES</i>	.195	12.613	.000	.130	10.984	.000	.138	14.487	.000	.147	22.184	.000
<i>OPINION</i>	.088	4.364	.000	.111	6.283	.000	.084	5.113	.000	.094	9.058	.000
<i>LAG</i>	.057	7.335	.000	.064	8.974	.000	.069	10.377	.000	.059	14.307	.000
<i>LEADER_ALL</i>	-.254	-19.225	.000	-.332	-27.157	.000	-.307	-29.324	.000	-.301	-44.105	.000
F-statistic		126.710	.000		210.422	.000		249.812	.000		568.089	.000
Adjusted R ²		.073			.095			.098			.088	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LEADER_ALL* = 1 if top ten leading auditor.

**Appendix AX: Audit fee estimation of professional body premiums for Australian SMSFs sample, 2008-2010 (extreme observations)
(Dependent variable is log of audit fees)**

	Panel A (2008 year n=27,234)			Panel B (2009 year n=33,960)			Panel C (2010 year n=39,055)			Panel D (All years n=100,249)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.539	84.160	.000	4.404	91.981	.000	4.307	97.567	.000	4.400	158.952	.000
<i>LASSETS</i>	.119	26.530	.000	.123	29.848	.000	.130	33.715	.000	.125	52.396	.000
<i>PARTICIPANTS</i>	.009	1.465	.143	.024	4.694	.000	.016	3.426	.001	.017	5.724	.000
<i>ROA</i>	-.027	-.425	.671	-.351	-4.494	.000	-.500	-7.940	.000	-.343	-9.081	.000
<i>LCASH</i>	-.001	-.379	.705	-.000	-.036	.971	-.003	-1.661	.097	-.001	-1.061	.289
<i>LPROPERTY</i>	.002	2.510	.012	.003	3.765	.000	.002	3.691	.000	.002	5.446	.000
<i>LSHARES</i>	.003	4.376	.000	.006	8.344	.000	.005	7.845	.000	.005	12.504	.000
<i>FOREIGN</i>	-.022	-1.432	.152	-.011	-.856	.392	-.019	-1.672	.095	-.018	-2.344	.019
<i>LCONT</i>	.001	1.427	.154	.001	1.861	.063	.001	1.309	.190	.001	2.302	.021
<i>ARTWORK</i>	.146	5.290	.000	.147	5.972	.000	.114	5.093	.000	.135	9.460	.000
<i>BORROWING</i>	.027	.751	.453	-.061	-2.316	.021	-.098	-5.547	.000	-.061	-4.469	.000
<i>RESERVEACCTS</i>	.160	2.645	.008	.162	3.053	.002	.015	.466	.641	.093	3.604	.000
<i>INHOUSE</i>	.123	4.367	.000	.121	5.435	.000	.107	4.845	.000	.117	8.456	.000
<i>DISPOSAL</i>	.092	9.653	.000	.064	8.802	.000	.054	8.100	.000	.062	14.323	.000
<i>LOSSES</i>	.195	12.627	.000	.129	10.862	.000	.132	13.838	.000	.145	21.756	.000
<i>OPINION</i>	.093	4.578	.000	.115	6.467	.000	.076	4.590	.000	.094	9.036	.000
<i>LAG</i>	.052	6.735	.000	.059	8.174	.000	.066	9.971	.000	.054	13.175	.000
<i>AG</i>	.214	2.209	.027	.329	4.823	.000				.338	6.112	.000
<i>RCA</i>	.127	6.116	.000	.291	16.788	.000	.337	22.370	.000	.276	27.527	.000
<i>CPA_ICAA_CPA</i>	.082	4.682	.000	.220	15.517	.000	.279	23.219	.000	.217	26.553	.000
F-statistic		103.078	.000		172.988	.000		234.377	.000		476.234	.000
Adjusted R ²		.066			.088			.097			.083	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix AY: Non-audit services (NAS) fee estimation for industry leaders for Australian SMSFs sample, 2008-10 (extreme observations)
(Dependent variable is log of non-audit fees)

	Panel A (2008 year n=3,172)			Panel B (2009 year n=4,042)			Panel C (2010 year n=3,884)			Panel D (All years n=11,098)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	.806	4.146	.000	1.823	6.845	.000	1.863	6.994	.000	1.566	10.748	.000
<i>LASSETS</i>	.171	11.795	.000	.243	11.701	.000	.225	11.091	.000	.217	19.711	.000
<i>PARTICIPANTS</i>	.038	2.299	.022	.036	1.446	.148	.025	.972	.331	.029	2.114	.035
<i>ROA</i>	-.615	-3.308	.001	-.569	-1.760	.078	-1.301	-3.968	.000	-.545	-3.571	.000
<i>LCASH</i>	-.013	-2.449	.014	-.019	-2.185	.029	-.015	-1.634	.102	-.018	-3.852	.000
<i>LPROPERTY</i>	.001	.296	.768	.004	1.258	.209	.010	2.848	.004	.006	3.070	.002
<i>LSHARES</i>	-.000	-.091	.928	.003	.975	.330	.003	.797	.425	.001	.417	.677
<i>FOREIGN</i>	.175	4.702	.000	.354	7.022	.000	.274	4.647	.000	.283	9.609	.000
<i>LCONT</i>	.001	.323	.746	.004	1.183	.237	-.001	-.144	.886	.002	.873	.383
<i>ARTWORK</i>	.025	.389	.698	.040	.468	.640	-.032	-.345	.730	.011	.230	.818
<i>BORROWING</i>	.097	1.288	.198	-.014	-.092	.927	.210	1.944	.052	.096	1.334	.182
<i>RESERVEACCTS</i>	.144	1.015	.310	.282	1.311	.190	.205	1.186	.236	.215	1.932	.053
<i>INHOUSE</i>	-.017	-.269	.788	.254	2.402	.016	.126	1.132	.258	.131	2.347	.019
<i>DISPOSAL</i>	.236	7.948	.000	.303	8.663	.000	.286	7.737	.000	.311	15.226	.000
<i>LOSSES</i>	.152	3.583	.000	.362	6.774	.000	.227	4.478	.000	.260	8.710	.000
<i>OPINION</i>	-.016	-.249	.803	-.019	-.250	.802	.015	.192	.847	-.016	-.370	.711
<i>LAG</i>	.019	.803	.422	.003	.083	.934	.046	1.245	.213	.047	2.508	.012
<i>LAF</i>	-.012	-.496	.620	-.355	-11.757	.000	-.326	-9.390	.000	-.253	-14.222	.000
<i>LEADER_ALL</i>	.759	21.640	.000	.696	21.663	.000	.763	20.238	.000	.730	38.188	.000
F-statistic		41.950	.000		45.585	.000		42.044	.000		118.552	.000
Adjusted R ²		.189			.166			.164			.160	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LAF* = natural log of audit fees paid, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix AZ: Non-audit services (NAS) fee estimation for professional bodies for Australian SMSFs sample, 2008-10 (extreme observations)

(Dependent variable is log of non-audit fees)

	<u>Panel A (2008 year n=3,172)</u>			<u>Panel B (2009 year n=4,042)</u>			<u>Panel C (2010 year n=3,884)</u>			<u>Panel D (All years n=11,098)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	.762	3.715	.000	1.798	6.510	.000	2.122	7.602	.000	1.620	10.671	.000
<i>LASSETS</i>	.188	12.417	.000	.255	12.056	.000	.241	11.252	.000	.231	20.279	.000
<i>PARTICIPANTS</i>	.036	2.119	.034	.040	1.612	.107	.020	.764	.445	.029	2.135	.033
<i>ROA</i>	-.714	-3.736	.000	-.715	-2.154	.031	-1.639	-4.760	.000	-.750	-4.757	.000
<i>LCASH</i>	-.010	-1.853	.064	-.016	-1.836	.067	-.014	-1.472	.141	-.016	-3.308	.001
<i>LPROPERTY</i>	-.002	-.885	.376	.002	.634	.526	.008	2.194	.028	.003	1.794	.073
<i>LSHARES</i>	-.001	-.370	.711	.003	.852	.394	.003	.847	.397	.000	.266	.790
<i>FOREIGN</i>	.125	3.348	.001	.305	6.072	.000	.199	3.386	.001	.224	7.625	.000
<i>LCONT</i>	-.002	-.889	.374	.002	.640	.523	-.003	-.841	.401	-.001	-.463	.643
<i>ARTWORK</i>	.003	.043	.966	.032	.371	.710	-.076	-.814	.416	-.012	-.247	.805
<i>BORROWING</i>	.055	.730	.465	-.024	-.155	.877	.171	1.564	.118	.067	.920	.358
<i>RESERVEACCTS</i>	.132	.928	.353	.241	1.092	.275	.171	.990	.322	.191	1.711	.087
<i>INHOUSE</i>	-.040	-.608	.543	.251	2.350	.019	.075	.665	.506	.106	1.885	.059
<i>DISPOSAL</i>	.285	9.556	.000	.366	10.548	.000	.371	10.164	.000	.376	18.579	.000
<i>LOSSES</i>	.148	3.431	.001	.361	6.741	.000	.223	4.339	.000	.258	8.565	.000
<i>OPINION</i>	-.036	-.589	.556	-.060	-.801	.423	.058	.754	.451	-.026	-.607	.544
<i>LAG</i>	.085	3.580	.000	.002	.055	.956	.025	.656	.512	.058	3.014	.003
<i>LAF</i>	-.059	-2.526	.012	-.413	-13.802	.000				-.309	-17.398	.000
<i>AG</i>	-.028	-.097	.923	.704	4.207	.000	-.391	-11.225	.000	.388	2.566	.010
<i>RCA</i>	.047	.651	.515	.261	2.910	.004	.006	.064	.949	.120	2.304	.021
<i>CPA_ICAA_IPA</i>	.158	2.573	.010	.267	3.494	.001	.014	.185	.854	.161	3.727	.000
F-statistic		26.681	.000		36.375	.000		32.338	.000		87.290	.000
Adjusted R ²		.139			.143			.133			.135	

Appendix BA: Audit quality estimation for industry leaders for Australian SMSFs sample, 2008-2010 (extreme observations)
(Dependent variable is breaches reported)

	Panel A (2008 year n=27,234)			Panel B (2009 year n=33,960)			Panel C (2010 year n=39,055)			Panel D (All years n=100,249)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.559	-15.476	.000	-5.879	-18.656	.000	-6.215	-18.227	.000	-5.544	-30.244	.000
<i>LASSETS</i>	.219	8.869	.000	.331	12.563	.000	.327	11.736	.000	.289	18.964	.000
<i>PARTICIPANTS</i>	.061	1.912	.056	.099	3.049	.002	.128	3.716	.000	.092	4.841	.000
<i>ROA</i>	.885	2.398	.017	.920	1.786	.074	1.500	3.184	.002	1.607	6.559	.000
<i>LCASH</i>	-.054	-6.077	.000	-.107	-12.505	.000	-.094	-10.407	.000	-.086	-17.000	.000
<i>LPROPERTY</i>	-.010	-2.083	.037	-.020	-4.061	.000	-.014	-2.921	.004	-.014	-5.050	.000
<i>LSHARES</i>	-.020	-4.558	.000	-.039	-8.825	.000	-.037	-8.241	.000	-.033	-13.030	.000
<i>FOREIGN</i>	-.351	-3.492	.001	-.292	-2.658	.008	-.391	-3.386	.001	-.338	-5.407	.000
<i>ARTWORK</i>	.300	2.357	.018	.138	1.010	.312	.237	1.734	.083	.225	2.942	.003
<i>BORROWING</i>	.256	1.435	.151	.337	2.287	.022	-.097	-.738	.460	.064	.757	.449
<i>INHOUSE</i>	2.145	25.375	.000	2.453	28.722	.000	2.612	32.700	.000	2.398	50.230	.000
<i>DISPOSAL</i>	-.462	-8.376	.000	-.464	-8.757	.000	-.476	-8.748	.000	-.427	-13.916	.000
<i>LOSSES</i>	.226	2.814	.005	.227	3.020	.003	.216	2.981	.003	.212	4.964	.000
<i>OPINION</i>	1.799	26.410	.000	2.096	31.110	.000	2.178	32.391	.000	2.031	52.364	.000
<i>LAG</i>	-.004	-.078	.938	.273	5.623	.000	.230	4.648	.000	.209	7.676	.000
<i>FEERESID</i>	.382	6.840	.000	.403	6.568	.000	.290	4.314	.000	.398	11.337	.000
<i>OTHERSERVICES</i>	.188	5.443	.000	.287	7.579	.000	.247	6.376	.000	.225	10.458	.000
<i>LEADER_ALL</i>	-.805	-5.617	.000	-.820	-5.834	.000	-.535	-4.478	.000	-.729	-9.524	.000
LR-statistic		1874.765	.000		2906.129	.000		2974.936	.000		7669.923	.000
McFadden R ²		.112			.168			.170			.148	
Total correctly predicted		79.53%			88.03%			91.33%			88.53%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 4.3, *OTHERSERVICES* = 1 if auditor provided other services, *LEADER_ALL* = 1 if top ten leading auditor.

**Appendix BB: Audit quality estimation for professional body members for Australian SMSFs sample, 2008-2010 (extreme observations)
(Dependent variable is breaches reported)**

	Panel A (2008 year n=27,234)			Panel B (2009 year n=33,960)			Panel C (2010 year n=39,055)			Panel D (All years n=100,249)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.413	-14.977	.000	-5.923	-19.330	.000	-6.367	-19.971	.000	-5.602	-31.741	.000
<i>LASSETS</i>	.217	9.177	.000	.330	13.439	.000	.323	12.682	.000	.286	20.256	.000
<i>PARTICIPANTS</i>	.063	1.947	.052	.101	3.036	.002	.130	3.794	.000	.095	4.909	.000
<i>ROA</i>	.919	2.568	.010	.955	2.021	.043	1.550	3.533	.000	1.649	7.087	.000
<i>LCASH</i>	-.055	-5.868	.000	-.108	-11.970	.000	-.094	-9.708	.000	-.087	-16.209	.000
<i>LPROPERTY</i>	-.009	-1.944	.052	-.019	-4.132	.000	-.014	-2.982	.003	-.013	5.012	.000
<i>LSHARES</i>	-.019	-4.324	.000	-.039	-8.674	.000	-.037	-8.059	.000	-.033	-12.624	.000
<i>FOREIGN</i>	.362	-3.626	.000	-.296	-2.699	.007	-.397	-3.397	.001	-.344	-5.521	.000
<i>ARTWORK</i>	.309	2.500	.012	.148	1.133	.257	.253	1.926	.054	.239	3.230	.001
<i>BORROWING</i>	.264	1.448	.148	.326	2.225	.026	-.101	-.771	.441	.059	.691	.490
<i>INHOUSE</i>	2.154	24.432	.000	2.450	28.841	.000	2.624	32.466	.000	2.406	49.528	.000
<i>DISPOSAL</i>	-.478	-8.751	.000	-.482	-9.192	.000	-.492	-9.188	.000	-.445	-14.601	.000
<i>LOSSES</i>	.227	2.839	.005	.225	3.011	.003	.211	2.964	.003	.210	4.918	.000
<i>OPINION</i>	1.808	26.123	.000	2.098	31.383	.000	2.167	32.050	.000	2.029	51.957	.000
<i>LAG</i>	-.010	-.213	.831	.265	5.500	.000	.229	4.645	.000	.205	7.526	.000
<i>FEERESID</i>	.394	7.072	.000	.413	6.805	.000	.293	4.362	.000	.406	11.648	.000
<i>OTHERSERVICES</i>	.205	5.919	.000	.309	8.268	.000	.260	6.654	.000	.244	11.412	.000
<i>AG</i>	-.577	1.171	.241	.950	2.406	.016				1.003	3.300	.001
<i>RCA</i>	.011	.093	.926	.073	.555	.579	.254	2.026	.043	.154	2.135	.033
<i>CPA_ICAA_IPA</i>	-.168	-1.638	.101	.045	.409	.683	.188	1.821	.069	.059	.981	.327
LR-statistic		1851.617	.000		2881.210	.000		2961.179	.000		7597.853	.000
McFadden R ²		.110			.167			.169			.147	
Total correctly predicted		79.90%			88.07%			91.38%			88.22%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 4, *OTHERSERVICES* = 1 if auditor provided other services *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix BC: Total fee estimation of industry leader premiums for Australian SMSFs sample, 2008-2010 redefining dependent variable as total auditor work (extreme observations)

(Dependent variable is log of combined audit and non-audit fees)

	<u>Panel A (2008 year n=33,800)</u>			<u>Panel B (2009 year n=38,472)</u>			<u>Panel C (2010 year n=42,474)</u>			<u>Panel D (All years n=114,746)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	3.677	47.955	.000	3.998	59.235	.000	3.993	64.698	.000	3.917	99.954	.000
<i>LASSETS</i>	.207	30.791	.000	.187	31.243	.000	.185	34.004	.000	.191	55.289	.000
<i>PARTICIPANTS</i>	.015	1.653	.098	.029	3.807	.000	.008	1.113	.266	.017	3.848	.000
<i>ROA</i>	-.288	-3.049	.002	-.827	-7.520	.000	-.825	-9.653	.000	-.591	-10.991	.000
<i>LCASH</i>	-.007	-2.438	.015	-.006	-2.211	.027	-.002	-.966	.334	-.005	-3.339	.001
<i>LPROPERTY</i>	.006	4.654	.000	.002	2.342	.019	.004	4.137	.000	.004	6.026	.000
<i>LSHARES</i>	.003	2.489	.013	.008	7.278	.000	.007	7.580	.000	.006	10.152	.000
<i>FOREIGN</i>	-.044	-2.011	.044	-.036	-1.964	.050	-.033	-2.022	.043	-.036	-3.388	.001
<i>LCONT</i>	-.004	-2.609	.009	-.001	-.753	.452	-.001	-.579	.563	-.001	-2.208	.027
<i>ARTWORK</i>	.251	6.173	.000	.195	5.762	.000	.112	3.589	.000	.183	9.059	.000
<i>BORROWING</i>	-.002	-.036	.971	-.076	-2.000	.046	-.104	-3.891	.000	-.083	-4.029	.000
<i>RESERVEACCTS</i>	.126	1.713	.087	.109	1.764	.078	-.029	-.661	.509	.045	1.357	.175
<i>INHOUSE</i>	.033	.820	.412	.072	2.194	.028	.085	2.818	.005	.065	3.244	.001
<i>DISPOSAL</i>	.255	17.445	.000	.138	12.724	.000	.117	12.354	.000	.159	24.610	.000
<i>LOSSES</i>	.287	12.255	.000	.173	9.791	.000	.206	15.438	.000	.216	21.948	.000
<i>OPINION</i>	.047	1.616	.106	.134	5.112	.000	.111	4.707	.000	.097	6.326	.000
<i>LAG</i>	.040	3.431	.001	.021	1.938	.053	.053	5.706	.000	.039	6.327	.000
<i>LEADER_1</i>	-.655	-30.603	.000	-.587	-26.850	.000	-.414	-23.642	.000	-.535	-45.307	.000
<i>LEADER_OTHER</i>	.271	6.635	.000	.116	3.275	.001	.071	2.271	.023	.139	6.773	.000
F-statistic		152.347	.000		158.608	.000		185.891	.000		481.703	.000
Adjusted R ²		.075			.069			.073			.070	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix BD: Audit fee estimation of industry leader premiums for SMSFs sample excluding one leader at a time, 2008-2010
(Dependent variable is log of audit fees)

Appendix BD.1: Audit fee estimation of industry leader premiums for sample excluding LEADER_10, 2008-2010

	Panel A (2008 year n=26,960)			Panel B (2009 year n=33,638)			Panel C (2010 year n=38,702)			Panel D (All years n=99,300)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.483	85.210	.000	4.413	95.408	.000	4.333	99.398	.000	4.414	163.383	.000
LASSETS	.131	28.559	.000	.139	34.160	.000	.150	38.454	.000	.140	58.793	.000
PARTICIPANTS	.008	1.331	.183	.023	4.414	.000	.013	2.675	.008	.015	5.020	.000
ROA	-.071	-1.095	.274	-.606	-7.686	.000	-.593	-9.155	.000	-.452	-11.783	.000
LCASH	-.000	-.063	.950	.002	1.146	.252	-.001	-.754	.451	.000	.338	.735
LPROPERTY	.001	1.444	.149	.002	2.289	.022	.001	1.990	.047	.001	2.959	.003
LSHARES	.004	4.560	.000	.006	8.896	.000	.005	8.540	.000	.005	13.287	.000
FOREIGN	-.018	-1.211	.226	-.009	-.664	.507	-.018	-1.542	.123	-.015	-1.985	.047
LCONT	.001	1.088	.276	.001	.866	.386	.001	.964	.335	.001	1.372	.170
ARTWORK	.138	4.991	.000	.137	5.540	.000	.101	4.524	.000	.124	8.721	.000
BORROWING	.022	.616	.538	-.059	-2.257	.024	-.104	-5.901	.000	-.064	-4.717	.000
RESERVEACCTS	.155	2.593	.010	.153	2.900	.004	-.001	-.032	.974	.083	3.234	.001
INHOUSE	.117	4.181	.000	.123	5.536	.000	.101	4.578	.000	.113	8.199	.000
DISPOSAL	.094	9.819	.000	.071	9.805	.000	.058	8.635	.000	.067	15.478	.000
LOSSES	.196	12.674	.000	.127	10.708	.000	.145	15.139	.000	.150	22.608	.000
OPINION	.086	4.252	.000	.113	6.322	.000	.078	4.667	.000	.093	8.779	.000
LAG	.057	7.312	.000	.064	8.948	.000	.070	10.462	.000	.059	14.442	.000
LEADER_ALL	-.259	-18.799	.000	-.337	-26.488	.000	-.315	-29.078	.000	-.308	-43.389	.000
F-statistic		130.538	.000		221.966	.000		267.177	.000		599.444	.000
Adjusted R ²		.076			.101			.105			.093	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LEADER_ALL* = 1 if top ten leading auditor (excluding *LEADER_10*).

Appendix BD.2: Audit fee estimation of industry leader premiums for sample excluding LEADER_9, 2008-2010

	Panel A (2008 year n=27,026)			Panel B (2009 year n=33,678)			Panel C (2010 year n=38,675)			Panel D (All years n=99,379)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.489	85.406	.000	4.417	95.544	.000	4.334	99.428	.000	4.418	163.594	.000
LASSETS	.130	28.433	.000	.139	34.080	.000	.150	38.429	.000	.140	58.660	.000
PARTICIPANTS	.008	1.347	.178	.023	4.449	.000	.012	2.602	.009	.015	5.006	.000
ROA	-.076	-1.172	.241	-.606	-7.698	.000	-.592	-9.146	.000	-.454	-11.825	.000
LCASH	.000	.085	.933	.002	1.202	.229	-.001	-.759	.448	.000	.444	.657
LPROPERTY	.001	1.469	.142	.002	2.281	.023	.001	2.026	.043	.001	2.996	.003
LSHARES	.004	4.566	.000	.006	8.939	.000	.005	8.500	.000	.005	13.295	.000
FOREIGN	-.016	-1.093	.274	-.006	-.482	.630	-.018	-1.589	.112	-.014	-1.836	.066
LCONT	.001	1.041	.298	.001	.910	.363	.001	1.017	.309	.001	1.400	.162
ARTWORK	.139	4.996	.000	.138	5.591	.000	.102	4.529	.000	.125	8.756	.000
BORROWING	.022	.621	.534	-.060	-2.315	.021	-.107	-5.985	.000	-.065	-4.787	.000
RESERVEACCTS	.156	2.605	.009	.150	2.839	.005	.001	.035	.972	.083	3.237	.001
INHOUSE	.116	4.110	.000	.123	5.540	.000	.098	4.421	.000	.111	8.070	.000
DISPOSAL	.095	9.961	.000	.072	9.873	.000	.059	8.774	.000	.068	15.672	.000
LOSSES	.194	12.609	.000	.125	10.563	.000	.145	15.101	.000	.149	22.451	.000
OPINION	.083	4.076	.000	.108	6.113	.000	.073	4.444	.000	.088	8.427	.000
LAG	.057	7.386	.000	.064	8.963	.000	.070	10.443	.000	.059	14.477	.000
LEADER_ALL	-.266	-19.729	.000	-.344	-27.458	.000	-.322	-29.965	.000	-.315	-45.000	.000
F-statistic		131.128	.000		223.709	.000		268.313	.000		602.758	.000
Adjusted R ²		.076			.102			.106			.093	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, LCONT = natural log of total concessional contributions received, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, RESERVEACCTS = 1 if reserve accounts, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, LEADER_ALL = 1 if top ten leading auditor (excluding LEADER_9).

Appendix BD.3: Audit fee estimation of industry leader premiums for sample excluding LEADER_8, 2008-2010

	Panel A (2008 year n=27,072)			Panel B (2009 year n=33,764)			Panel C (2010 year n=38,828)			Panel D (All years n=99,664)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.489	85.474	.000	4.419	95.841	.000	4.334	99.647	.000	4.418	163.925	.000
LASSETS	.130	28.473	.000	.139	34.152	.000	.150	38.512	.000	.140	58.775	.000
PARTICIPANTS	.008	1.338	.181	.023	4.401	.000	.013	2.634	.008	.015	4.992	.000
ROA	-.077	-1.191	.234	-.607	-7.711	.000	-.592	-9.160	.000	-.454	-11.856	.000
LCASH	.000	.069	.945	.002	1.178	.239	-.001	-.749	.454	.000	.426	.670
LPROPERTY	.001	1.475	.140	.002	2.281	.023	.001	2.044	.041	.001	3.004	.003
LSHARES	.004	4.541	.000	.006	8.898	.000	.005	8.520	.000	.005	13.268	.000
FOREIGN	-.017	-1.108	.268	-.007	-.520	.603	-.018	-1.561	.119	-.014	-1.855	.064
LCONT	.001	1.002	.316	.001	.953	.341	.001	.965	.335	.001	1.373	.170
ARTWORK	.138	4.998	.000	.138	5.588	.000	.101	4.519	.000	.125	8.750	.000
BORROWING	.022	.621	.535	-.056	-2.172	.030	-.105	-5.928	.000	-.063	-4.664	.000
RESERVEACCTS	.156	2.598	.009	.153	2.903	.004	.001	.018	.986	.084	3.264	.001
INHOUSE	.118	4.200	.000	.124	5.572	.000	.101	4.578	.000	.113	8.229	.000
DISPOSAL	.095	9.945	.000	.071	9.852	.000	.058	8.692	.000	.068	15.600	.000
LOSSES	.194	12.582	.000	.125	10.588	.000	.145	15.157	.000	.149	22.494	.000
OPINION	.085	4.209	.000	.111	6.302	.000	.078	4.816	.000	.091	8.823	.000
LAG	.057	7.421	.000	.064	8.984	.000	.070	10.483	.000	.059	14.523	.000
LEADER_ALL	-.259	-19.494	.000	-.336	-27.632	.000	-.308	-29.576	.000	-.304	-44.703	.000
F-statistic		131.195	.000		223.341	.000		267.266	.000		601.579	.000
Adjusted R ²		.076			.101			.105			.093	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, LCONT = natural log of total concessional contributions received, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, RESERVEACCTS = 1 if reserve accounts, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, LEADER_ALL = 1 if top ten leading auditor (excluding LEADER_8).

Appendix BD.4: Audit fee estimation of industry leader premiums for sample excluding LEADER_7, 2008-2010

	Panel A (2008 year n=27,001)			Panel B (2009 year n=33,644)			Panel C (2010 year n=38,673)			Panel D (All years n=99,318)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.489	85.399	.000	4.416	95.608	.000	4.331	99.294	.000	4.416	163.516	.000
LASSETS	.130	28.375	.000	.139	34.107	.000	.150	38.492	.000	.140	58.687	.000
PARTICIPANTS	.009	1.444	.149	.023	4.438	.000	.013	2.635	.008	.015	5.070	.000
ROA	-.079	-1.225	.220	-.604	-7.651	.000	-.595	-9.188	.000	-.454	-11.840	.000
LCASH	.000	.177	.860	.002	1.269	.204	-.001	-.774	.439	.001	.520	.603
LPROPERTY	.001	1.574	.116	.002	2.447	.014	.001	2.154	.031	.001	3.217	.001
LSHARES	.004	4.554	.000	.006	8.986	.000	.005	8.500	.000	.005	13.316	.000
FOREIGN	-.017	-1.118	.263	-.007	-.578	.564	-.017	-1.525	.127	-.014	-1.868	.062
LCONT	.001	1.071	.284	.001	1.090	.276	.001	1.102	.270	.001	1.573	.116
ARTWORK	.139	5.020	.000	.139	5.623	.000	.103	4.566	.000	.126	8.813	.000
BORROWING	.025	.687	.492	-.056	-2.139	.033	-.106	-5.994	.000	-.063	-4.668	.000
RESERVEACCTS	.157	2.602	.009	.152	2.887	.004	.000	-.015	.988	.083	3.232	.001
INHOUSE	.120	4.269	.000	.127	5.687	.000	.103	4.664	.000	.116	8.383	.000
DISPOSAL	.095	9.924	.000	.070	9.732	.000	.056	8.455	.000	.067	15.368	.000
LOSSES	.194	12.609	.000	.124	10.527	.000	.144	15.068	.000	.148	22.400	.000
OPINION	.085	4.198	.000	.113	6.392	.000	.077	4.721	.000	.091	8.813	.000
LAG	.057	7.422	.000	.064	8.997	.000	.070	10.506	.000	.060	14.566	.000
LEADER_ALL	-.229	-17.315	.000	-.315	-25.926	.000	-.290	-27.119	.000	-.283	-41.051	.000
F-statistic		128.173	.000		218.788	.000		260.494	.000		587.188	.000
Adjusted R ²		.075			.100			.103			.091	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, LCONT = natural log of total concessional contributions received, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, RESERVEACCTS = 1 if reserve accounts, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, LEADER_ALL = 1 if top ten leading auditor (excluding LEADER_7).

Appendix BD.5: Audit fee estimation of industry leader premiums for sample excluding LEADER_6, 2008-2010

	Panel A (2008 year n=26,913)			Panel B (2009 year n=33,542)			Panel C (2010 year n=38,576)			Panel D (All years n=99,031)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.484	84.727	.000	4.407	95.116	.000	4.328	98.491	.000	4.410	162.336	.000
LASSETS	.131	28.363	.000	.140	34.221	.000	.150	38.360	.000	.141	58.641	.000
PARTICIPANTS	.008	1.350	.177	.023	4.403	.000	.012	2.560	.011	.015	4.957	.000
ROA	-.086	-1.333	.183	-.613	-7.760	.000	-.613	-9.391	.000	-.467	-12.104	.000
LCASH	.000	.173	.863	.002	1.251	.211	-.001	-.725	.468	.001	.540	.590
LPROPERTY	.001	1.413	.158	.002	2.186	.029	.001	2.000	.046	.001	2.892	.004
LSHARES	.004	4.593	.000	.006	8.945	.000	.005	8.522	.000	.005	13.325	.000
FOREIGN	-.020	-1.310	.190	-.009	-.680	.497	-.020	-1.776	.076	-.016	-2.181	.029
LCONT	.001	.909	.363	.001	.940	.347	.001	.916	.360	.001	1.291	.197
ARTWORK	.137	4.966	.000	.138	5.586	.000	.101	4.492	.000	.124	8.715	.000
BORROWING	.021	.590	.555	-.058	-2.240	.025	-.106	-6.009	.000	-.065	-4.779	.000
RESERVEACCTS	.154	2.573	.010	.152	2.891	.004	-.001	-.018	.986	.083	3.224	.001
INHOUSE	.117	4.175	.000	.123	5.540	.000	.100	4.524	.000	.113	8.164	.000
DISPOSAL	.096	10.026	.000	.072	9.897	.000	.060	8.886	.000	.069	15.796	.000
LOSSES	.195	12.594	.000	.126	10.617	.000	.144	15.005	.000	.149	22.410	.000
OPINION	.084	4.148	.000	.110	6.267	.000	.082	4.954	.000	.092	8.843	.000
LAG	.060	7.647	.000	.064	8.924	.000	.069	10.332	.000	.060	14.522	.000
LEADER_ALL	-.228	-15.670	.000	-.315	-23.339	.000	-.287	-25.139	.000	-.281	-37.501	.000
F-statistic		127.802	.000		216.777	.000		259.130	.000		583.876	.000
Adjusted R ²		.075			.099			.103			.091	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, LCONT = natural log of total concessional contributions received, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, RESERVEACCTS = 1 if reserve accounts, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, LEADER_ALL = 1 if top ten leading auditor (excluding LEADER_6).

Appendix BD.6: Audit fee estimation of industry leader premiums for sample excluding LEADER_5, 2008-2010

	Panel A (2008 year n=26,876)			Panel B (2009 year n=33,626)			Panel C (2010 year n=38,642)			Panel D (All years n=99,144)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.483	85.013	.000	4.414	95.571	.000	4.332	99.408	.000	4.414	163.375	.000
LASSETS	.131	28.483	.000	.140	34.367	.000	.150	38.479	.000	.141	58.897	.000
PARTICIPANTS	.008	1.345	.179	.023	4.447	.000	.013	2.704	.007	.015	5.065	.000
ROA	-.071	-1.097	.273	-.600	-7.622	.000	-.590	-9.127	.000	-.451	-11.747	.000
LCASH	.000	.018	.985	.002	1.034	.301	-.001	-.778	.436	.000	.293	.770
LPROPERTY	.001	1.315	.189	.001	2.031	.042	.001	1.928	.054	.001	2.696	.007
LSHARES	.004	4.535	.000	.006	8.720	.000	.005	8.479	.000	.005	13.133	.000
FOREIGN	-.020	-1.325	.185	-.006	-.503	.615	-.019	-1.703	.089	-.015	-2.050	.040
LCONT	.001	.935	.350	.001	.825	.409	.000	.658	.511	.000	1.079	.281
ARTWORK	.137	4.932	.000	.138	5.581	.000	.102	4.531	.000	.125	8.720	.000
BORROWING	.023	.647	.518	-.056	-2.153	.031	-.104	-5.834	.000	-.062	-4.589	.000
RESERVEACCTS	.158	2.616	.009	.153	2.912	.004	-.004	-.130	.897	.083	3.192	.001
INHOUSE	.117	4.166	.000	.123	5.525	.000	.099	4.463	.000	.112	8.120	.000
DISPOSAL	.096	9.989	.000	.072	9.969	.000	.060	8.975	.000	.069	15.864	.000
LOSSES	.195	12.642	.000	.126	10.702	.000	.144	15.079	.000	.149	22.542	.000
OPINION	.083	4.089	.000	.110	6.262	.000	.082	5.031	.000	.092	8.854	.000
LAG	.056	7.222	.000	.065	9.055	.000	.069	10.365	.000	.059	14.369	.000
LEADER_ALL	-.296	-21.407	.000	-.372	-30.789	.000	-.349	-33.333	.000	-.343	-49.849	.000
F-statistic		132.464	.000		228.291	.000		274.709	.000		614.524	.000
Adjusted R ²		.077			.104			.108			.095	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, LCONT = natural log of total concessional contributions received, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, RESERVEACCTS = 1 if reserve accounts, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, LEADER_ALL = 1 if top ten leading auditor (excluding LEADER_5).

Appendix BD.7: Audit fee estimation of industry leader premiums for sample excluding LEADER_4, 2008-2010

	Panel A (2008 year n=27,004)			Panel B (2009 year n=33,517)			Panel C (2010 year n=38,664)			Panel D (All years n=99,185)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.472	84.857	.000	4.436	95.113	.000	4.360	99.808	.000	4.430	163.291	.000
LASSETS	.132	28.735	.000	.137	33.402	.000	.147	37.749	.000	.139	57.977	.000
PARTICIPANTS	.008	1.250	.211	.024	4.546	.000	.013	2.754	.006	.016	5.122	.000
ROA	-.084	-1.306	.191	-.597	-7.503	.000	-.573	-8.832	.000	-.453	-11.774	.000
LCASH	.000	.017	.986	.002	1.133	.257	-.001	-.661	.509	.000	.433	.665
LPROPERTY	.001	1.397	.162	.002	2.354	.019	.001	2.060	.039	.001	3.016	.003
LSHARES	.003	4.399	.000	.006	9.005	.000	.005	8.640	.000	.005	13.368	.000
FOREIGN	-.015	-.993	.321	-.008	-.659	.510	-.020	-1.786	.074	-.015	-2.029	.043
LCONT	.001	.999	.318	.001	.875	.382	.001	1.010	.313	.001	1.352	.176
ARTWORK	.139	5.012	.000	.137	5.555	.000	.101	4.498	.000	.124	8.724	.000
BORROWING	.022	.628	.530	-.058	-2.244	.025	-.105	-5.967	.000	-.064	-4.720	.000
RESERVEACCTS	.156	2.607	.009	.153	2.910	.004	.000	.006	.995	.084	3.261	.001
INHOUSE	.118	4.201	.000	.123	5.533	.000	.102	4.594	.000	.113	8.222	.000
DISPOSAL	.095	9.967	.000	.072	9.941	.000	.058	8.683	.000	.068	15.601	.000
LOSSES	.193	12.525	.000	.126	10.621	.000	.144	15.019	.000	.149	22.419	.000
OPINION	.086	4.257	.000	.109	6.202	.000	.075	4.623	.000	.090	8.706	.000
LAG	.058	7.502	.000	.065	9.059	.000	.069	10.426	.000	.059	14.420	.000
LEADER_ALL	-.287	-21.464	.000	-.303	-23.757	.000	-.266	-25.218	.000	-.282	-40.531	.000
F-statistic		133.957	.000		204.243	.000		246.406	.000		567.701	.000
Adjusted R ²		.078			.094			.098			.089	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, LCONT = natural log of total concessional contributions received, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, RESERVEACCTS = 1 if reserve accounts, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, LEADER_ALL = 1 if top ten leading auditor (excluding LEADER_4).

Appendix BD.8: Audit fee estimation of industry leader premiums for sample excluding LEADER_3, 2008-2010

	Panel A (2008 year n=26,880)			Panel B (2009 year n=33,599)			Panel C (2010 year n=38,487)			Panel D (All years n=98,966)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.485	84.905	.000	4.419	95.531	.000	4.357	99.268	.000	4.426	163.149	.000
LASSETS	.131	28.398	.000	.139	34.038	.000	.147	37.634	.000	.139	58.141	.000
PARTICIPANTS	.008	1.330	.184	.023	4.421	.000	.014	2.910	.004	.016	5.171	.000
ROA	-.082	-1.259	.208	-.605	-7.661	.000	-.574	-8.796	.000	-.451	-11.701	.000
LCASH	.000	.127	.899	.002	1.173	.241	-.001	-.778	.437	.000	.429	.668
LPROPERTY	.001	1.403	.161	.002	2.274	.023	.001	2.083	.037	.001	2.981	.003
LSHARES	.004	4.523	.000	.006	8.878	.000	.005	8.781	.000	.005	13.423	.000
FOREIGN	-.016	-1.043	.297	-.007	-.533	.594	-.021	-1.808	.071	-.015	-1.991	.046
LCONT	.001	.995	.320	.001	.973	.331	.001	1.058	.290	.001	1.441	.150
ARTWORK	.133	4.786	.000	.137	5.532	.000	.101	4.489	.000	.123	8.584	.000
BORROWING	.021	.595	.552	-.056	-2.140	.032	-.104	-5.884	.000	-.063	-4.625	.000
RESERVEACCTS	.158	2.566	.010	.153	2.905	.004	.001	.033	.974	.084	3.259	.001
INHOUSE	.119	4.209	.000	.121	5.421	.000	.102	4.612	.000	.113	8.160	.000
DISPOSAL	.095	9.950	.000	.071	9.787	.000	.057	8.525	.000	.067	15.423	.000
LOSSES	.193	12.484	.000	.125	10.530	.000	.143	14.897	.000	.148	22.274	.000
OPINION	.085	4.187	.000	.112	6.354	.000	.077	4.716	.000	.091	8.806	.000
LAG	.058	7.489	.000	.064	8.984	.000	.069	10.279	.000	.059	14.353	.000
LEADER_ALL	-.288	-20.093	.000	-.356	-27.772	.000	-.294	-26.274	.000	-.312	-42.898	.000
F-statistic		131.372	.000		223.748	.000		249.686	.000		586.087	.000
Adjusted R ²		.077			.102			.099			.091	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, LCONT = natural log of total concessional contributions received, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, RESERVEACCTS = 1 if reserve accounts, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, LEADER_ALL = 1 if top ten leading auditor (excluding LEADER_3).

Appendix BD.9: Audit fee estimation of industry leader premiums for sample excluding LEADER_2, 2008-2010

	Panel A (2008 year n=26,920)			Panel B (2009 year n=33,480)			Panel C (2010 year n=38,327)			Panel D (All years n=98,727)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.482	85.493	.000	4.409	94.946	.000	4.316	98.406	.000	4.406	162.746	.000
LASSETS	.131	28.690	.000	.140	34.164	.000	.151	38.589	.000	.141	58.998	.000
PARTICIPANTS	.008	1.325	.185	.023	4.381	.000	.013	2.728	.006	.015	5.022	.000
ROA	-.086	-1.340	.180	-.625	-7.859	.000	-.616	-9.471	.000	-.469	-12.200	.000
LCASH	.000	.134	.893	.002	1.018	.309	-.001	-.842	.400	.000	.303	.762
LPROPERTY	.001	1.410	.159	.002	2.348	.019	.001	2.012	.044	.001	2.982	.003
LSHARES	.003	4.341	.000	.006	9.169	.000	.005	8.869	.000	.005	13.527	.000
FOREIGN	-.017	-1.111	.267	-.006	-.489	.625	-.018	-1.525	.127	-.014	-1.805	.071
LCONT	.001	.949	.343	.001	1.060	.289	.001	.800	.424	.001	1.312	.190
ARTWORK	.140	5.054	.000	.134	5.428	.000	.101	4.496	.000	.124	8.672	.000
BORROWING	.024	.665	.506	-.057	-2.164	.031	-.108	-6.040	.000	-.064	-4.714	.000
RESERVEACCTS	.155	2.594	.010	.152	2.866	.004	.003	.091	.927	.084	3.286	.001
INHOUSE	.119	4.234	.000	.123	5.531	.000	.101	4.528	.000	.113	8.196	.000
DISPOSAL	.096	10.055	.000	.073	10.048	.000	.056	8.428	.000	.068	15.612	.000
LOSSES	.193	12.521	.000	.123	10.348	.000	.144	14.986	.000	.148	22.199	.000
OPINION	.085	4.200	.000	.111	6.307	.000	.079	4.865	.000	.092	8.839	.000
LAG	.058	7.418	.000	.065	9.046	.000	.069	10.339	.000	.060	14.508	.000
LEADER_ALL	-.257	-18.499	.000	-.359	-28.100	.000	-.332	-30.292	.000	-.321	-44.863	.000
F-statistic		129.003	.000		223.182	.000		265.203	.000		596.283	.000
Adjusted R ²		.075			.102			.105			.093	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, LCONT = natural log of total concessional contributions received, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, RESERVEACCTS = 1 if reserve accounts, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, LEADER_ALL = 1 if top ten leading auditor (excluding LEADER_2).

Appendix BD.10: Audit fee estimation of industry leader premiums for sample excluding LEADER_1, 2008-2010

	Panel A (2008 year n=26,722)			Panel B (2009 year n=33,311)			Panel C (2010 year n=38,267)			Panel D (All years n=98,300)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.471	84.571	.000	4.397	94.511	.000	4.320	98.378	.000	4.400	161.862	.000
LASSETS	.132	28.657	.000	.141	34.223	.000	.151	38.419	.000	.142	58.869	.000
PARTICIPANTS	.007	1.210	.226	.023	4.448	.000	.013	2.595	.010	.015	4.921	.000
ROA	-.085	-1.303	.192	-.612	-7.721	.000	-.596	-9.154	.000	-.457	-11.810	.000
LCASH	-.000	-.100	.920	.002	1.171	.241	-.001	-.719	.472	.000	.366	.714
LPROPERTY	.001	1.197	.232	.001	2.021	.043	.001	1.858	.063	.001	2.580	.010
LSHARES	.004	4.564	.000	.006	8.869	.000	.005	8.353	.000	.005	13.133	.000
FOREIGN	-.013	-.842	.400	-.003	-.202	.840	-.017	-1.464	.143	-.011	-1.444	.149
LCONT	.001	1.071	.284	.001	.883	.377	.001	.920	.358	.001	1.347	.178
ARTWORK	.138	4.961	.000	.138	5.581	.000	.101	4.511	.000	.125	8.728	.000
BORROWING	.020	.548	.584	-.042	-1.619	.106	-.106	-5.949	.000	-.060	-4.413	.000
RESERVEACCTS	.153	2.549	.011	.152	2.883	.004	.001	.037	.971	.083	3.226	.001
INHOUSE	.116	4.147	.000	.123	5.531	.000	.101	4.529	.000	.113	8.157	.000
DISPOSAL	.095	9.921	.000	.070	9.637	.000	.058	8.631	.000	.068	15.457	.000
LOSSES	.193	12.480	.000	.127	10.645	.000	.146	15.102	.000	.150	22.432	.000
OPINION	.085	4.202	.000	.110	6.220	.000	.080	4.897	.000	.091	8.788	.000
LAG	.057	7.288	.000	.065	9.068	.000	.070	10.405	.000	.060	14.555	.000
LEADER_ALL	-.201	-12.681	.000	-.308	-21.680	.000	-.321	-26.046	.000	-.288	-35.719	.000
F-statistic		125.792	.000		214.349	.000		262.142	.000		581.127	.000
Adjusted R ²		.074			.099			.104			.091	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, LCONT = natural log of total concessional contributions received, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, RESERVEACCTS = 1 if reserve accounts, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, LEADER_ALL = 1 if top ten leading auditor (excluding LEADER_1).

**Appendix BE: Audit fee estimation of professional body premiums for SMSFs sample excluding one state at a time, 2008-2010
(Dependent variable is log of audit fees)**

Appendix BE.1: Audit fee estimation of professional body premiums for SMSFs sample excluding ACT, 2008-2010

	Panel A (2008 year n=26,777)			Panel B (2009 year n=33,378)			Panel C (2010 year n=38,397)			Panel D (All years n=98,552)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.442	80.513	.000	4.244	89.269	.000	4.126	93.492	.000	4.250	152.873	.000
<i>LASSETS</i>	.128	27.952	.000	.136	33.241	.000	.145	37.226	.000	.137	57.212	.000
<i>PARTICIPANTS</i>	.009	1.481	.139	.024	4.634	.000	.014	2.994	.003	.017	5.432	.000
<i>ROA</i>	-.052	-.807	.420	-.588	-7.448	.000	-.565	-8.786	.000	-.432	-11.244	.000
<i>LCASH</i>	-.000	-.096	.923	.001	.851	.395	-.002	-.977	.329	.000	.009	.993
<i>LPROPERTY</i>	.002	2.013	.044	.002	2.719	.007	.002	2.708	.007	.002	4.000	.000
<i>LSHARES</i>	.004	4.502	.000	.006	8.618	.000	.005	8.191	.000	.005	12.911	.000
<i>FOREIGN</i>	-.021	-1.414	.157	-.011	-.863	.388	-.021	-1.779	.075	-.018	-2.382	.017
<i>LCONT</i>	.001	1.429	.153	.001	1.400	.162	.001	1.332	.183	.001	2.053	.040
<i>ARTWORK</i>	.148	5.312	.000	.148	5.999	.000	.116	5.146	.000	.136	9.518	.000
<i>BORROWING</i>	.028	.779	.436	-.060	-2.243	.025	-.099	-5.591	.000	-.061	-4.429	.000
<i>RESERVEACCTS</i>	.155	2.533	.011	.162	3.058	.002	.008	.247	.805	.089	3.445	.001
<i>INHOUSE</i>	.129	4.541	.000	.120	5.375	.000	.109	4.931	.000	.119	8.562	.000
<i>DISPOSAL</i>	.088	9.169	.000	.061	8.477	.000	.051	7.582	.000	.060	13.696	.000
<i>LOSSES</i>	.193	12.481	.000	.123	10.331	.000	.138	14.423	.000	.146	21.908	.000
<i>OPINION</i>	.090	4.411	.000	.114	6.424	.000	.067	4.093	.000	.090	8.650	.000
<i>LAG</i>	.053	6.794	.000	.060	8.316	.000				.055	13.411	.000
<i>AG</i>	.173	1.784	.075	.330	4.907	.000	.067	9.975	.000	.327	5.997	.000
<i>RCA</i>	.099	4.666	.000	.269	15.185	.000	.321	20.714	.000	.255	24.876	.000
<i>CPA_ICAA_IPA</i>	.060	3.350	.001	.201	13.673	.000	.267	21.228	.000	.201	23.653	.000
F-statistic		106.335	.000		180.959	.000		246.304	.000		497.611	.000
Adjusted R ²		.070			.093			.103			.087	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix BE.2: Audit fee estimation of professional body premiums for SMSFs sample excluding NSW, 2008-2010

	Panel A (2008 year n=18,985)			Panel B (2009 year n=23,717)			Panel C (2010 year n=27,380)			Panel D (All years n=70,082)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.547	73.447	.000	4.257	81.367	.000	4.113	83.407	.000	4.270	137.984	.000
LASSETS	.116	22.195	.000	.131	29.175	.000	.140	31.979	.000	.130	48.642	.000
PARTICIPANTS	.018	2.620	.009	.019	3.259	.001	.009	1.645	.100	.015	4.478	.000
ROA	-.053	-.738	.460	-.591	-6.856	.000	-.542	-7.313	.000	-.457	-10.589	.000
LCASH	-.002	-.949	.342	.001	.747	.455	-.002	-1.273	.203	-.001	-.703	.482
LPROPERTY	.004	4.775	.000	.003	3.277	.001	.003	4.304	.000	.003	6.878	.000
LSHARES	.005	5.221	.000	.006	7.609	.000	.005	7.179	.000	.005	11.952	.000
FOREIGN	-.023	-1.364	.173	-.005	-.350	.726	-.006	-.477	.633	-.012	-1.395	.163
LCONT	.001	.555	.579	.001	.902	.367	.001	.802	.423	.000	.788	.431
ARTWORK	.140	4.193	.000	.157	5.661	.000	.147	5.879	.000	.149	9.172	.000
BORROWING	.009	.224	.823	-.059	-2.058	.040	-.065	-3.167	.002	-.041	-2.695	.007
RESERVEACCTS	.302	4.269	.000	.219	3.207	.001	.007	.185	.853	.140	4.455	.000
INHOUSE	.144	4.432	.000	.109	4.270	.000	.098	3.696	.000	.115	7.176	.000
DISPOSAL	.091	8.538	.000	.068	8.373	.000	.052	6.856	.000	.062	12.597	.000
LOSSES	.197	11.126	.000	.128	9.611	.000	.153	14.059	.000	.155	20.588	.000
OPINION	.121	5.279	.000	.128	6.404	.000	.076	3.853	.000	.107	8.866	.000
LAG	.052	6.035	.000	.058	7.172	.000				.052	11.387	.000
AG	.168	1.241	.215	.397	5.171	.000	.069	9.181	.000	.388	5.845	.000
RCA	.117	4.886	.000	.297	14.753	.000	.360	20.156	.000	.289	24.566	.000
CPA_ICAA_IPA	.025	1.245	.213	.209	12.542	.000	.301	20.646	.000	.212	21.664	.000
F-statistic		82.841	.000		143.642	.000		202.088	.000		393.021	.000
Adjusted R ²		.076			.103			.117			.096	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, LCONT = natural log of total concessional contributions received, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, RESERVEACCTS = 1 if reserve accounts, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, AG = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, RCA = 1 if auditor is a registered company auditor, CPA_ICAA_IPA = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix BE.3: Audit fee estimation of professional body premiums for SMSFs sample excluding NT, 2008-2010

	Panel A (2008 year n=27,024)			Panel B (2009 year n=33,708)			Panel C (2010 year n=38,757)			Panel D (All years n=99,489)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.431	80.584	.000	4.243	89.636	.000	4.128	94.192	.000	4.248	153.598	.000
LASSETS	.128	27.933	.000	.135	33.157	.000	.144	37.376	.000	.136	57.254	.000
PARTICIPANTS	.009	1.490	.136	.024	4.571	.000	.014	2.904	.004	.016	5.347	.000
ROA	-.059	-.920	.358	-.569	-7.254	.000	-.560	-8.794	.000	-.429	-11.244	.000
LCASH	-.000	-.164	.870	.001	.808	.419	-.002	-1.115	.265	-.000	-.170	.865
LPROPERTY	.002	2.116	.034	.002	3.078	.002	.002	2.545	.011	.002	4.161	.000
LSHARES	.004	4.701	.000	.006	8.901	.000	.005	8.308	.000	.005	13.242	.000
FOREIGN	-.022	-1.447	.148	-.013	-1.019	.308	-.023	-1.975	.048	-.020	-2.627	.009
LCONT	.001	1.200	.230	.001	1.417	.157	.001	1.265	.206	.001	1.899	.058
ARTWORK	.146	5.246	.000	.153	6.235	.000	.118	5.229	.000	.138	9.682	.000
BORROWING	.026	.713	.476	-.063	-2.356	.019	-.099	-5.614	.000	-.062	-4.554	.000
RESERVEACCTS	.158	2.618	.009	.151	2.870	.004	.009	.292	.770	.087	3.396	.001
INHOUSE	.126	4.462	.000	.120	5.397	.000	.107	4.855	.000	.117	8.493	.000
DISPOSAL	.086	9.053	.000	.060	8.290	.000	.048	7.294	.000	.058	13.325	.000
LOSSES	.194	12.560	.000	.124	10.477	.000	.137	14.367	.000	.146	21.970	.000
OPINION	.088	4.351	.000	.114	6.446	.000	.070	4.279	.000	.091	8.731	.000
LAG	.052	6.733	.000	.059	8.242	.000				.055	13.324	.000
AG	.193	1.996	.046	.328	4.831	.000	.067	9.979	.000	.329	6.003	.000
RCA	.123	5.862	.000	.284	16.478	.000	.330	21.908	.000	.269	26.932	.000
CPA_ICAA_IPA	.080	4.542	.000	.214	15.187	.000	.274	22.905	.000	.212	26.100	.000
F-statistic		106.455	.000		182.998	.000		249.104	.000		502.588	.000
Adjusted R ²		.069			.093			.103			.087	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, LCONT = natural log of total concessional contributions received, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, RESERVEACCTS = 1 if reserve accounts, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, AG = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, RCA = 1 if auditor is a registered company auditor, CPA_ICAA_IPA = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix BE.4: Audit fee estimation of professional body premiums for SMSFs sample excluding QLD, 2008-2010

	Panel A (2008 year n=22,204)			Panel B (2009 year n=27,821)			Panel C (2010 year n=32,075)			Panel D (All years n=82,100)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.345	71.144	.000	4.200	80.043	.000	4.106	86.195	.000	4.198	137.839	.000
<i>LASSETS</i>	.133	26.132	.000	.138	30.011	.000	.143	33.934	.000	.138	52.341	.000
<i>PARTICIPANTS</i>	.009	1.276	.202	.025	4.401	.000	.018	3.440	.001	.018	5.483	.000
<i>ROA</i>	-.075	-1.043	.297	-.646	-7.177	.000	-.616	-8.912	.000	-.471	-11.056	.000
<i>LCASH</i>	.001	.675	.500	.001	.397	.692	-.001	-.570	.569	.000	.304	.761
<i>LPROPERTY</i>	.001	1.385	.166	.002	2.934	.003	.002	2.770	.006	.002	3.799	.000
<i>LSHARES</i>	.003	2.954	.003	.006	8.183	.000	.005	7.305	.000	.005	11.239	.000
<i>FOREIGN</i>	-.028	-1.699	.089	-.023	-1.612	.107	-.025	-1.969	.049	-.026	-3.066	.002
<i>LCONT</i>	.001	1.430	.153	.002	1.818	.069	.001	1.421	.156	.001	2.428	.015
<i>ARTWORK</i>	.185	6.068	.000	.153	5.541	.000	.135	5.307	.000	.156	9.770	.000
<i>BORROWING</i>	.040	1.042	.298	-.067	-2.269	.023	-.114	-5.709	.000	-.071	-4.640	.000
<i>RESERVEACCTS</i>	.155	2.315	.021	.183	3.201	.001	.011	.300	.764	.098	3.416	.001
<i>INHOUSE</i>	.106	3.303	.001	.142	5.595	.000	.113	4.599	.000	.121	7.758	.000
<i>DISPOSAL</i>	.093	8.698	.000	.061	7.586	.000	.050	6.755	.000	.060	12.485	.000
<i>LOSSES</i>	.205	12.018	.000	.121	9.110	.000	.133	12.562	.000	.146	19.741	.000
<i>OPINION</i>	.066	2.821	.005	.118	5.890	.000	.068	3.537	.000	.085	7.140	.000
<i>LAG</i>	.049	5.643	.000	.053	6.648	.000				.053	11.468	.000
<i>AG</i>	.304	2.910	.004	.372	4.734	.000	.067	9.016	.000	.399	6.392	.000
<i>RCA</i>	.156	6.891	.000	.318	17.259	.000	.368	23.102	.000	.307	28.737	.000
<i>CPA_ICAA_IPA</i>	.105	5.582	.000	.240	16.047	.000	.313	24.957	.000	.245	28.478	.000
F-statistic		91.119	.000		159.049	.000		220.268	.000		437.587	.000
Adjusted R ²		.072			.097			.110			.092	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix BE.5: Audit fee estimation of professional body premiums for SMSFs sample excluding SA, 2008-2010

	Panel A (2008 year n=25,339)			Panel B (2009 year n=31,430)			Panel C (2010 year n=36,025)			Panel D (All years n=92,794)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.420	77.880	.000	4.225	85.968	.000	4.101	89.827	.000	4.228	147.275	.000
LASSETS	.130	27.499	.000	.137	32.341	.000	.146	36.185	.000	.138	55.824	.000
PARTICIPANTS	.007	1.181	.238	.025	4.664	.000	.014	2.768	.006	.016	5.121	.000
ROA	-.088	-1.318	.188	-.611	-7.495	.000	-.574	-8.609	.000	-.452	-11.365	.000
LCASH	-.001	-.765	.444	.001	.654	.513	-.002	-1.049	.294	-.001	-.579	.563
LPROPERTY	.001	1.368	.171	.001	2.002	.045	.001	2.193	.028	.001	2.913	.004
LSHARES	.004	4.542	.000	.006	8.407	.000	.005	7.898	.000	.005	12.607	.000
FOREIGN	-.018	-1.114	.265	-.008	-.635	.526	-.020	-1.603	.109	-.016	-2.010	.044
LCONT	.001	1.158	.247	.001	.920	.358	.001	.973	.331	.001	1.427	.154
ARTWORK	.151	5.291	.000	.148	5.854	.000	.120	5.197	.000	.139	9.500	.000
BORROWING	.023	.616	.538	-.038	-1.384	.166	-.109	-5.965	.000	-.060	-4.281	.000
RESERVEACCTS	.162	2.551	.011	.163	2.872	.004	-.008	-.253	.801	.083	3.056	.002
INHOUSE	.120	4.201	.000	.124	5.374	.000	.109	4.819	.000	.117	8.267	.000
DISPOSAL	.089	8.987	.000	.062	8.219	.000	.050	7.272	.000	.060	13.274	.000
LOSSES	.191	11.996	.000	.123	10.041	.000	.137	13.751	.000	.145	21.064	.000
OPINION	.092	4.414	.000	.108	5.796	.000	.077	4.550	.000	.092	8.553	.000
LAG	.049	6.026	.000	.062	8.334	.000				.054	12.676	.000
AG	.098	.994	.320	.326	3.921	.000	.066	9.432	.000	.298	4.702	.000
RCA	.115	5.422	.000	.270	15.412	.000	.344	22.268	.000	.268	26.294	.000
CPA_ICAA_IPA	.088	4.959	.000	.222	15.453	.000	.293	23.997	.000	.225	27.148	.000
F-statistic		100.309	.000		171.471	.000		239.049	.000		475.535	.000
Adjusted R ²		.069			.093			.106			.089	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, LCONT = natural log of total concessional contributions received, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, RESERVEACCTS = 1 if reserve accounts, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, AG = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, RCA = 1 if auditor is a registered company auditor, CPA_ICAA_IPA = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix BE.6: Audit fee estimation of professional body premiums for SMSFs sample excluding TAS, 2008-2010

	Panel A (2008 year n=26,679)			Panel B (2009 year n=33,307)			Panel C (2010 year n=38,233)			Panel D (All years n=98,219)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.442	80.231	.000	4.245	88.974	.000	4.132	93.768	.000	4.253	152.771	.000
LASSETS	.127	27.533	.000	.135	32.848	.000	.144	37.105	.000	.136	56.692	.000
PARTICIPANTS	.010	1.625	.104	.025	4.766	.000	.014	2.943	.003	.017	5.561	.000
ROA	-.059	-.910	.363	-.563	-7.104	.000	-.569	-8.867	.000	-.428	-11.132	.000
LCASH	-.000	-.182	.856	.001	.712	.477	-.002	-1.214	.225	-.000	-.307	.759
LPROPERTY	.002	2.100	.036	.002	2.927	.003	.002	2.457	.014	.002	4.013	.000
LSHARES	.004	4.403	.000	.006	8.838	.000	.005	8.304	.000	.005	13.040	.000
FOREIGN	-.022	-1.471	.141	-.015	-1.169	.243	-.023	-1.965	.049	-.021	-2.717	.007
LCONT	.001	1.212	.226	.001	1.406	.160	.001	1.230	.219	.001	1.881	.060
ARTWORK	.145	5.228	.000	.150	6.036	.000	.115	5.037	.000	.136	9.444	.000
BORROWING	.026	.711	.477	-.060	-2.254	.024	-.098	-5.538	.000	-.061	-4.444	.000
RESERVEACCTS	.155	2.502	.012	.167	3.164	.002	.013	.402	.688	.093	3.580	.000
INHOUSE	.120	4.268	.000	.118	5.270	.000	.106	4.756	.000	.114	8.231	.000
DISPOSAL	.087	9.067	.000	.058	7.975	.000	.047	7.053	.000	.057	13.011	.000
LOSSES	.192	12.343	.000	.125	10.471	.000	.137	14.237	.000	.145	21.776	.000
OPINION	.095	4.662	.000	.118	6.655	.000	.068	4.122	.000	.094	8.943	.000
LAG	.052	6.615	.000	.056	7.760	.000				.053	12.891	.000
AG	.193	1.992	.046	.328	4.836	.000	.066	9.799	.000	.330	6.016	.000
RCA	.126	6.007	.000	.283	16.297	.000	.328	21.731	.000	.269	26.810	.000
CPA_ICAA_IPA	.079	4.520	.000	.215	15.137	.000	.275	23.025	.000	.213	26.134	.000
F-statistic		103.612	.000		178.705	.000		243.876	.000		490.693	.000
Adjusted R ²		.068			.092			.103			.087	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, LCONT = natural log of total concessional contributions received, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, RESERVEACCTS = 1 if reserve accounts, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, AG = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, RCA = 1 if auditor is a registered company auditor, CPA_ICAA_IPA = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix BE.7: Audit fee estimation of professional body premiums for SMSFs sample excluding VIC, 2008-2010

	Panel A (2008 year n=19,018)			Panel B (2009 year n=23,985)			Panel C (2010 year n=27,423)			Panel D (All years n=70,426)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.466	65.960	.000	4.357	74.692	.000	4.395	82.436	.000	4.412	130.459	.000
LASSETS	.128	22.956	.000	.132	26.652	.000	.133	28.651	.000	.131	45.434	.000
PARTICIPANTS	.001	.185	.854	.025	4.005	.000	.019	3.267	.001	.016	4.412	.000
ROA	-.044	-.557	.578	-.486	-5.286	.000	-.555	-7.548	.000	-.402	-8.898	.000
LCASH	-.000	-.127	.899	-.000	-.063	.950	-.001	-.583	.560	-.000	-.307	.759
LPROPERTY	.002	1.722	.085	.004	4.236	.000	.002	2.780	.005	.002	4.722	.000
LSHARES	.005	4.835	.000	.007	8.687	.000	.006	8.462	.000	.006	13.217	.000
FOREIGN	-.001	-.048	.962	-.009	-.528	.597	-.039	-2.783	.005	-.018	-1.947	.052
LCONT	.001	.700	.484	.001	.950	.342	.001	1.270	.204	.001	1.463	.144
ARTWORK	.120	3.660	.000	.128	4.378	.000	.081	3.101	.002	.109	6.475	.000
BORROWING	.022	.512	.609	-.097	-3.177	.002	-.120	-5.988	.000	-.086	-5.417	.000
RESERVEACCTS	.034	.490	.624	.053	.834	.404	.043	1.167	.243	.046	1.535	.125
INHOUSE	.104	3.178	.002	.110	4.091	.000	.100	3.736	.000	.105	6.361	.000
DISPOSAL	.073	6.306	.000	.059	6.707	.000	.051	6.369	.000	.056	10.642	.000
LOSSES	.176	9.556	.000	.112	8.035	.000	.122	10.760	.000	.131	16.649	.000
OPINION	.063	2.729	.006	.107	5.102	.000	.073	3.924	.000	.081	6.766	.000
LAG	.053	5.656	.000	.058	6.715	.000				.055	11.213	.000
AG	.221	2.339	.019	.201	2.753	.006	.068	8.584	.000	.208	3.676	.000
RCA	.153	5.686	.000	.269	12.158	.000	.224	12.344	.000	.220	17.705	.000
CPA_ICAA_IPA	.120	5.325	.000	.189	10.589	.000	.156	11.235	.000	.157	15.892	.000
F-statistic		71.350	.000		119.481	.000		141.387	.000		314.479	.000
Adjusted R ²		.066			.086			.084			.078	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, LCONT = natural log of total concessional contributions received, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, RESERVEACCTS = 1 if reserve accounts, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, AG = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, RCA = 1 if auditor is a registered company auditor, CPA_ICAA_IPA = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix BE.8: Audit fee estimation of professional body premiums for SMSFs sample excluding WA, 2008-2010

	Panel A (2008 year n=23,549)			Panel B (2009 year n=29,113)			Panel C (2010 year n=33,626)			Panel D (All years n=86,288)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.443	75.299	.000	4.260	83.575	.000	4.145	86.751	.000	4.264	142.650	.000
<i>LASSETS</i>	.126	25.738	.000	.133	30.211	.000	.143	34.121	.000	.135	52.338	.000
<i>PARTICIPANTS</i>	.009	1.342	.180	.022	3.985	.000	.011	2.202	.028	.015	4.502	.000
<i>ROA</i>	-.107	-1.540	.124	-.601	-7.009	.000	-.614	-8.560	.000	-.460	-10.960	.000
<i>LCASH</i>	.000	.038	.970	.002	1.328	.184	-.002	-1.106	.269	.000	.192	.847
<i>LPROPERTY</i>	.001	1.257	.209	.002	2.215	.027	.001	1.273	.203	.001	2.469	.014
<i>LSHARES</i>	.004	4.539	.000	.006	8.036	.000	.005	6.977	.000	.005	11.766	.000
<i>FOREIGN</i>	-.035	-2.162	.031	-.021	-1.482	.138	-.021	-1.736	.083	-.025	-3.126	.002
<i>LCONT</i>	.001	1.215	.224	.001	1.587	.113	.001	1.053	.292	.001	1.973	.049
<i>ARTWORK</i>	.116	3.905	.000	.150	5.344	.000	.095	3.719	.000	.120	7.509	.000
<i>BORROWING</i>	.047	1.117	.264	-.061	-1.995	.046	-.094	-4.786	.000	-.058	-3.756	.000
<i>RESERVEACCTS</i>	.144	2.251	.024	.159	3.057	.002	-.002	-.067	.947	.079	3.002	.003
<i>INHOUSE</i>	.124	4.049	.000	.130	5.546	.000	.113	4.839	.000	.122	8.287	.000
<i>DISPOSAL</i>	.096	9.360	.000	.057	7.295	.000	.048	6.739	.000	.060	12.729	.000
<i>LOSSES</i>	.199	11.797	.000	.124	9.383	.000	.130	12.305	.000	.143	19.535	.000
<i>OPINION</i>	.101	4.551	.000	.115	5.903	.000	.064	3.608	.000	.094	8.227	.000
<i>LAG</i>	.062	7.397	.000	.063	7.988	.000				.061	13.596	.000
<i>AG</i>	.188	1.702	.089	.324	4.795	.000	.068	9.435	.000	.329	5.765	.000
<i>RCA</i>	.116	5.220	.000	.293	16.050	.000	.338	21.192	.000	.274	25.923	.000
<i>CPA_ICAA_IPA</i>	.082	4.396	.000	.217	14.601	.000	.275	21.808	.000	.216	25.083	.000
F-statistic		91.230	.000		153.403	.000		208.453	.000		422.585	.000
Adjusted R ²		.068			.090			.100			.085	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

**Appendix BF: Audit quality estimation for industry leaders for SMSFs sample excluding one leader at a time, 2008-2010
(Dependent variable is breaches reported)**

Appendix BF.1: Audit quality estimation for industry leaders for SMSFs sample excluding LEADER_10, 2008-2010

	Panel A (2008 year n=26,960)			Panel B (2009 year n=33,638)			Panel C (2010 year n=38,702)			Panel D (All years n=99,300)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.610	-15.259	.000	-6.057	-18.516	.000	-6.699	-19.366	.000	-5.757	-30.575	.000
LASSETS	.224	8.886	.000	.345	12.647	.000	.365	12.933	.000	.306	19.609	.000
PARTICIPANTS	.062	1.918	.055	.101	3.090	.002	.125	3.620	.000	.092	4.826	.000
ROA	.718	1.845	.065	1.077	1.962	.050	1.714	3.641	.000	1.693	6.679	.000
LCASH	-.054	-6.063	.000	-.106	-12.407	.000	-.094	-10.390	.000	-.086	-16.980	.000
LPROPERTY	-.010	-2.112	.035	-.021	-4.199	.000	-.016	-3.267	.001	-.015	-5.293	.000
LSHARES	-.020	-4.549	.000	-.040	-8.867	.000	-.037	-8.213	.000	-.033	-13.037	.000
FOREIGN	-.350	-3.476	.001	-.303	-2.740	.006	-.409	-3.528	.000	-.345	-5.505	.000
ARTWORK	.297	2.327	.020	.147	1.078	.281	.238	1.734	.083	.228	2.972	.003
BORROWING	.254	1.426	.154	.313	2.108	.035	-.115	-.874	.382	.050	.592	.554
INHOUSE	2.135	25.241	.000	2.446	28.549	.000	2.601	32.291	.000	2.388	49.823	.000
DISPOSAL	-.455	-8.210	.000	-.469	-8.795	.000	-.489	-8.954	.000	-.432	-14.009	.000
LOSSES	.220	2.721	.007	.239	3.135	.002	.253	3.514	.000	.225	5.239	.000
OPINION	1.798	26.311	.000	2.114	31.108	.000	2.208	32.186	.000	2.046	52.162	.000
LAG	-.002	-.040	.968	.267	5.463	.000	.232	4.654	.000	.209	7.622	.000
FEERESID	.186	5.365	.000	.287	7.541	.000	.243	6.212	.000	.223	10.310	.000
OTHERSERVICES	.328	5.710	.000	.324	5.121	.000	.231	3.344	.001	.338	9.381	.000
LEADER_ALL	-.758	-5.176	.000	-.750	-5.256	.000	-.388	-3.277	.001	-.639	-8.268	.000
LR-statistic		1846.635	.000		2896.889	.000		2967.104	.000		7621.521	.000
McFadden R ²		.111			.169			.171			.148	
Total correctly predicted		79.49%			88.02%			91.33%			88.09%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 4.3, *OTHERSERVICES* = 1 if auditor provided other services, *LEADER_ALL* = 1 if top ten leading auditor (excluding *LEADER_10*).

Appendix BF.2: Audit quality estimation for industry leaders for SMSFs sample excluding LEADER_9, 2008-2010

	Panel A (2008 year n=27,026)			Panel B (2009 year n=33,678)			Panel C (2010 year n=38,675)			Panel D (All years n=99,379)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.618	-15.283	.000	-6.038	-18.438	.000	-6.603	-19.074	.000	-5.726	-30.384	.000
LASSETS	.225	8.932	.000	.344	12.596	.000	.360	12.743	.000	.304	19.496	.000
PARTICIPANTS	.061	1.903	.057	.100	3.068	.002	.122	3.528	.000	.091	4.746	.000
ROA	.710	1.821	.069	1.072	1.955	.051	1.736	3.671	.000	1.697	6.689	.000
LCASH	-.055	-6.110	.000	-.106	-12.421	.000	-.095	-10.619	.000	-.087	-17.106	.000
LPROPERTY	-.010	-2.163	.031	-.021	-4.204	.000	-.016	-3.272	.001	-.015	-5.337	.000
LSHARES	-.020	-4.537	.000	-.040	-8.937	.000	-.037	-8.212	.000	-.033	-13.063	.000
FOREIGN	-.357	-3.531	.000	-.304	-2.742	.006	-.416	-3.565	.000	-.349	-5.554	.000
ARTWORK	.299	2.339	.019	.137	1.001	.317	.257	1.887	.059	.231	3.005	.003
BORROWING	.256	1.439	.150	.343	2.319	.020	-.141	-1.042	.298	.046	.540	.589
INHOUSE	2.133	25.126	.000	2.451	28.508	.000	2.595	32.315	.000	2.388	49.754	.000
DISPOSAL	-.458	-8.271	.000	-.465	-8.716	.000	-.482	-8.809	.000	-.429	-13.903	.000
LOSSES	.223	2.760	.006	.238	3.123	.002	.252	3.504	.001	.225	5.236	.000
OPINION	1.791	26.111	.000	2.092	30.759	.000	2.144	31.357	.000	2.015	51.437	.000
LAG	.002	.043	.966	.268	5.476	.000	.231	4.625	.000	.212	7.711	.000
FEERESID	.186	5.376	.000	.290	7.596	.000	.229	5.825	.000	.220	10.136	.000
OTHERSERVICES	.330	5.729	.000	.327	5.173	.000	.249	3.619	.000	.345	9.562	.000
LEADER_ALL	-.842	-5.507	.000	-.938	-6.001	.000	-.814	-5.545	.000	-.884	-10.118	.000
LR-statistic		1844.109	.000		2881.368	.000		2906.496	.000		7549.901	.000
McFadden R ²		.111			.168			.169			.147	
Total correctly predicted		79.52%			88.00%			91.26%			88.04%	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, FEERESID = error term from audit fee model in primary results in Table 4.3, OTHERSERVICES = 1 if auditor provided other services, LEADER_ALL = 1 if top ten leading auditor (excluding LEADER_9).

Appendix BF.3: Audit quality estimation for industry leaders for SMSFs sample excluding LEADER_8, 2008-2010

	Panel A (2008 year n=27,072)			Panel B (2009 year n=33,764)			Panel C (2010 year n=38,828)			Panel D (All years n=99,664)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.612	-15.268	.000	-6.050	-18.505	.000	-6.657	-19.291	.000	-5.744	-30.533	.000
LASSETS	.225	8.910	.000	.345	12.626	.000	.361	12.840	.000	.304	19.560	.000
PARTICIPANTS	.062	1.926	.054	.101	3.104	.002	.125	3.639	.000	.093	4.846	.000
ROA	.723	1.857	.063	1.088	1.984	.047	1.746	3.707	.000	1.706	6.735	.000
LCASH	-.055	-6.130	.000	-.106	-12.368	.000	-.094	-10.390	.000	-.086	-16.989	.000
LPROPERTY	-.010	-2.120	.034	-.021	-4.214	.000	-.016	-3.236	.001	-.015	-5.293	.000
LSHARES	-.020	-4.552	.000	-.040	-8.888	.000	-.036	-8.183	.000	-.033	-13.034	.000
FOREIGN	-.354	-3.514	.000	-.294	-2.676	.007	-.406	-3.503	.001	-.343	-5.481	.000
ARTWORK	.297	2.327	.020	.149	1.090	.276	.242	1.769	.077	.230	2.990	.003
BORROWING	.255	1.429	.153	.337	2.287	.022	-.105	-.798	.425	.062	.730	.465
INHOUSE	2.137	25.253	.000	2.451	28.625	.000	2.607	32.438	.000	2.393	49.951	.000
DISPOSAL	-.458	-8.260	.000	-.469	-8.810	.000	-.494	-9.045	.000	-.435	-14.092	.000
LOSSES	.222	2.754	.006	.238	3.116	.002	.254	3.543	.000	.225	5.259	.000
OPINION	1.796	26.306	.000	2.103	31.091	.000	2.175	32.067	.000	2.031	52.112	.000
LAG	.001	.018	.986	.270	5.541	.000	.237	4.771	.000	.213	7.773	.000
FEERESID	.186	5.352	.000	.289	7.588	.000	.242	6.188	.000	.224	10.317	.000
OTHERSERVICES	.330	5.731	.000	.325	5.146	.000	.237	3.439	.001	.341	9.452	.000
LEADER_ALL	-.821	-5.681	.000	-.836	-5.904	.000	-.536	-4.451	.000	-.739	-9.582	.000
LR-statistic		1860.182	.000		2903.414	.000		2960.025	.000		7636.022	.000
McFadden R ²		.111			.169			.171			.148	
Total correctly predicted		79.53%			87.98%			91.20%			88.01%	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, FEERESID = error term from audit fee model in primary results in Table 4.3, OTHERSERVICES = 1 if auditor provided other services, LEADER_ALL = 1 if top ten leading auditor (excluding LEADER_8).

Appendix BF.4: Audit quality estimation for industry leaders for SMSFs sample excluding LEADER_7, 2008-2010

	Panel A (2008 year n=27,001)			Panel B (2009 year n=33,644)			Panel C (2010 year n=38,673)			Panel D (All years n=99,318)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.623	-15.266	.000	-6.052	-18.479	.000	-6.668	-19.278	.000	-5.753	-30.509	.000
LASSETS	.226	8.947	.000	.345	12.628	.000	.362	12.853	.000	.305	19.592	.000
PARTICIPANTS	.063	1.967	.049	.102	3.140	.002	.126	3.635	.000	.093	4.887	.000
ROA	.730	1.873	.061	1.045	1.904	.057	1.805	3.862	.000	1.715	6.774	.000
LCASH	-.056	-6.200	.000	-.106	-12.411	.000	-.094	-10.359	.000	-.087	-17.049	.000
LPROPERTY	-.010	-2.178	.029	-.021	-4.285	.000	-.016	-3.339	.001	-.015	-5.416	.000
LSHARES	-.020	-4.571	.000	-.040	-8.872	.000	-.036	-8.147	.000	-.033	-13.014	.000
FOREIGN	-.349	-3.467	.001	-.292	-2.660	.008	-.402	-3.469	.001	-.340	-5.427	.000
ARTWORK	.302	2.358	.018	.140	1.018	.309	.240	1.740	.082	.227	2.942	.003
BORROWING	.195	1.076	.282	.341	2.314	.021	-.097	-.738	.461	.053	.630	.529
INHOUSE	2.144	25.272	.000	2.446	28.425	.000	2.609	32.384	.000	2.394	49.811	.000
DISPOSAL	-.457	-8.225	.000	-.471	-8.819	.000	-.495	-9.047	.000	-.435	-14.082	.000
LOSSES	.224	2.769	.006	.235	3.075	.002	.257	3.572	.000	.226	5.271	.000
OPINION	1.796	26.253	.000	2.104	31.000	.000	2.177	32.037	.000	2.032	52.018	.000
LAG	-.004	-.088	.930	.269	5.503	.000	.230	4.616	.000	.208	7.594	.000
FEERESID	.188	5.404	.000	.293	7.677	.000	.245	6.269	.000	.226	10.440	.000
OTHERSERVICES	.331	5.747	.000	.325	5.136	.000	.238	3.456	.001	.342	9.464	.000
LEADER_ALL	-.921	-5.991	.000	-.861	-5.719	.000	-.603	-4.736	.000	-.803	-9.819	.000
LR-statistic		1866.141	.000		2886.539	.000		2956.435	.000		7621.854	.000
McFadden R ²		.112			.168			.171			.148	
Total correctly predicted		79.50%			87.94%			91.19%			88.00%	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, FEERESID = error term from audit fee model in primary results in Table 4.3, OTHERSERVICES = 1 if auditor provided other services, LEADER_ALL = 1 if top ten leading auditor (excluding LEADER_7).

Appendix BF.5: Audit quality estimation for industry leaders for SMSFs sample excluding LEADER_6, 2008-2010

	Panel A (2008 year n=26,913)			Panel B (2009 year n=33,542)			Panel C (2010 year n=38,576)			Panel D (All years n=99,031)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.631	-15.320	.000	-6.058	-18.543	.000	-6.674	-19.326	.000	-5.759	-30.607	.000
LASSETS	.225	8.949	.000	.345	12.651	.000	.362	12.863	.000	.305	19.611	.000
PARTICIPANTS	.062	1.913	.056	.101	3.111	.002	.125	3.629	.000	.092	4.837	.000
ROA	.719	1.847	.065	1.067	1.945	.052	1.712	3.629	.000	1.685	6.645	.000
LCASH	-.055	-6.112	.000	-.106	-12.364	.000	-.093	-10.375	.000	-.086	-16.963	.000
LPROPERTY	-.010	-2.161	.031	-.021	-4.242	.000	-.016	-3.260	.001	-.015	-5.352	.000
LSHARES	-.020	-4.570	.000	-.040	-8.895	.000	-.036	-8.177	.000	-.033	-13.048	.000
FOREIGN	-.359	-3.573	.000	-.298	-2.717	.007	-.415	-3.584	.000	-.349	-5.589	.000
ARTWORK	.294	2.303	.021	.146	1.074	.283	.238	1.738	.082	.226	2.947	.003
BORROWING	.252	1.414	.157	.334	2.263	.024	-.111	-.844	.399	.057	.676	.499
INHOUSE	2.133	25.225	.000	2.448	28.618	.000	2.603	32.410	.000	2.389	49.912	.000
DISPOSAL	-.455	-8.203	.000	-.465	-8.730	.000	-.486	-8.892	.000	-.429	-13.912	.000
LOSSES	.222	2.755	.006	.236	3.097	.002	.253	3.534	.000	.224	5.243	.000
OPINION	1.793	26.285	.000	2.099	31.060	.000	2.180	32.097	.000	2.030	52.077	.000
LAG	.007	.146	.884	.269	5.509	.000	.235	4.723	.000	.213	7.780	.000
FEERESID	.181	5.217	.000	.285	7.493	.000	.235	6.004	.000	.218	10.073	.000
OTHERSERVICES	.351	6.051	.000	.345	5.413	.000	.277	3.970	.000	.368	10.109	.000
LEADER_ALL	-.675	-4.613	.000	-.722	-5.009	.000	-.405	-3.353	.001	-.600	-7.691	.000
LR-statistic		1842.771	.000		2881.545	.000		2947.114	.000		7586.143	.000
McFadden R ²		.111			.168			.170			.148	
Total correctly predicted		79.35%			87.89%			91.16%			87.90%	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, FEERESID = error term from audit fee model in primary results in Table 4.3, OTHERSERVICES = 1 if auditor provided other services, LEADER_ALL = 1 if top ten leading auditor (excluding LEADER_6).

Appendix BF.6: Audit quality estimation for industry leaders for SMSFs sample excluding LEADER_5, 2008-2010

	Panel A (2008 year n=26,876)			Panel B (2009 year n=33,626)			Panel C (2010 year n=38,642)			Panel D (All years n=99,144)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.610	-15.209	.000	-6.098	-18.627	.000	-6.658	-19.240	.000	-5.760	-30.537	.000
LASSETS	.225	8.891	.000	.348	12.732	.000	.361	12.795	.000	.305	19.582	.000
PARTICIPANTS	.061	1.901	.057	.103	3.153	.002	.126	3.649	.000	.093	4.866	.000
ROA	.719	1.850	.064	1.075	1.948	.051	1.774	3.760	.000	1.711	6.739	.000
LCASH	-.055	-6.161	.000	-.105	-12.268	.000	-.092	-10.256	.000	-.086	-16.879	.000
LPROPERTY	-.010	-2.233	.026	-.021	-4.238	.000	-.017	-3.348	.001	-.015	-5.432	.000
LSHARES	-.019	-4.304	.000	-.040	-8.907	.000	-.037	-8.219	.000	-.033	-12.923	.000
FOREIGN	-.371	-3.658	.000	-.286	-2.600	.009	-.435	-3.706	.000	-.355	-5.641	.000
ARTWORK	.285	2.224	.026	.158	1.156	.248	.248	1.808	.071	.230	2.992	.003
BORROWING	.260	1.457	.145	.342	2.318	.020	-.092	-.695	.487	.071	.833	.405
INHOUSE	2.142	25.238	.000	2.444	28.471	.000	2.603	32.338	.000	2.391	49.801	.000
DISPOSAL	-.464	-8.360	.000	-.474	-8.870	.000	-.491	-8.958	.000	-.437	-14.140	.000
LOSSES	.224	2.772	.006	.244	3.186	.001	.257	3.576	.000	.229	5.340	.000
OPINION	1.788	26.096	.000	2.111	31.121	.000	2.184	32.104	.000	2.034	52.045	.000
LAG	-.000	-.009	.993	.266	5.446	.000	.237	4.738	.000	.211	7.673	.000
FEERESID	.176	5.066	.000	.284	7.442	.000	.234	5.948	.000	.216	9.927	.000
OTHERSERVICES	.336	5.832	.000	.328	5.188	.000	.238	3.453	.001	.345	9.551	.000
LEADER_ALL	-1.031	-6.034	.000	-.950	-6.183	.000	-.673	-5.134	.000	-.890	-10.396	.000
LR-statistic		1849.280	.000		2901.334	.000		2959.959	.000		7622.873	.000
McFadden R ²		.112			.169			.172			.149	
Total correctly predicted		79.56%			87.99%			91.24%			88.03%	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, FEERESID = error term from audit fee model in primary results in Table 4.3, OTHERSERVICES = 1 if auditor provided other services, LEADER_ALL = 1 if top ten leading auditor (excluding LEADER_5).

Appendix BF.7: Audit quality estimation for industry leaders for SMSFs sample excluding LEADER_4, 2008-2010

	Panel A (2008 year n=27,004)			Panel B (2009 year n=33,517)			Panel C (2010 year n=38,664)			Panel D (All years n=99,185)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.597	-15.211	.000	-6.028	-18.395	.000	-6.636	-19.212	.000	-5.724	-30.386	.000
LASSETS	.223	8.857	.000	.343	12.531	.000	.360	12.765	.000	.303	19.427	.000
PARTICIPANTS	.062	1.939	.053	.102	3.117	.002	.126	3.648	.000	.093	4.868	.000
ROA	.724	1.859	.063	1.108	2.016	.044	1.759	3.734	.000	1.716	6.773	.000
LCASH	-.055	-6.127	.000	-.106	-12.350	.000	-.093	-10.381	.000	-.086	-16.968	.000
LPROPERTY	-.010	-2.116	.034	-.021	-4.211	.000	-.016	-3.236	.001	-.015	-5.288	.000
LSHARES	-.020	-4.532	.000	-.040	-8.885	.000	-.036	-8.177	.000	-.033	-13.018	.000
FOREIGN	-.355	-3.530	.000	-.295	-2.686	.007	-.407	-3.517	.000	-.344	-5.504	.000
ARTWORK	.297	2.328	.020	.148	1.089	.276	.242	1.766	.077	.229	2.989	.003
BORROWING	.255	1.429	.153	.336	2.281	.023	-.105	-.801	.423	.061	.722	.471
INHOUSE	2.136	25.254	.000	2.449	28.627	.000	2.606	32.453	.000	2.392	49.965	.000
DISPOSAL	-.458	-8.268	.000	-.470	-8.818	.000	-.494	-9.049	.000	-.435	-14.103	.000
LOSSES	.222	2.754	.006	.239	3.131	.002	.253	3.532	.000	.225	5.256	.000
OPINION	1.795	26.297	.000	2.101	31.081	.000	2.172	32.035	.000	2.029	52.083	.000
LAG	.000	.000	1.000	.267	5.476	.000	.237	4.769	.000	.212	7.724	.000
FEERESID	.187	5.390	.000	.289	7.587	.000	.240	6.116	.000	.223	10.289	.000
OTHERSERVICES	.328	5.704	.000	.324	5.126	.000	.236	3.431	.001	.340	9.420	.000
LEADER_ALL	-.775	-5.341	.000	-.780	-5.405	.000	-.498	-4.118	.000	-.691	-8.879	.000
LR-statistic		1850.868	.000		2877.859	.000		2945.313	.000		7584.898	.000
McFadden R ²		.111			.168			.170			.147	
Total correctly predicted		79.47%			87.90%			91.18%			87.97%	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, FEERESID = error term from audit fee model in primary results in Table 4.3, OTHERSERVICES = 1 if auditor provided other services, LEADER_ALL = 1 if top ten leading auditor (excluding LEADER_4).

Appendix BF.8: Audit quality estimation for industry leaders for SMSFs sample excluding LEADER_3, 2008-2010

	Panel A (2008 year n=26,880)			Panel B (2009 year n=33,599)			Panel C (2010 year n=38,487)			Panel D (All years n=98,966)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.607	-15.231	.000	-6.038	-18.447	.000	-6.616	-19.113	.000	-5.724	-30.373	.000
LASSETS	.224	8.883	.000	.343	12.563	.000	.358	12.662	.000	.303	19.402	.000
PARTICIPANTS	.063	1.969	.049	.102	3.119	.002	.126	3.642	.000	.093	4.880	.000
ROA	.738	1.892	.059	1.032	1.880	.060	1.712	3.622	.000	1.690	6.657	.000
LCASH	-.055	-6.100	.000	-.106	-12.319	.000	-.093	-10.301	.000	-.086	-16.886	.000
LPROPERTY	-.010	-2.168	.030	-.020	-4.149	.000	-.016	-3.168	.002	-.014	-5.245	.000
LSHARES	-.020	-4.579	.000	-.040	-8.860	.000	-.036	-8.135	.000	-.033	-13.007	.000
FOREIGN	-.358	-3.546	.000	-.292	-2.659	.008	-.399	-3.441	.001	-.342	-5.458	.000
ARTWORK	.286	2.235	.025	.150	1.098	.272	.244	1.782	.075	.226	2.945	.003
BORROWING	.257	1.441	.150	.337	2.286	.022	-.103	-.780	.435	.063	.746	.456
INHOUSE	2.139	25.205	.000	2.448	28.506	.000	2.605	32.393	.000	2.391	49.826	.000
DISPOSAL	-.459	-8.283	.000	-.467	-8.776	.000	-.491	-8.979	.000	-.433	-14.037	.000
LOSSES	.222	2.747	.006	.231	3.018	.003	.250	3.483	.001	.222	5.171	.000
OPINION	1.791	26.189	.000	2.099	31.032	.000	2.175	32.051	.000	2.028	52.010	.000
LAG	.000	.000	1.000	.271	5.547	.000	.233	4.678	.000	.212	7.725	.000
FEERESID	.184	5.307	.000	.289	7.592	.000	.238	6.079	.000	.222	10.227	.000
OTHERSERVICES	.326	5.667	.000	.325	5.139	.000	.238	3.449	.001	.340	9.417	.000
LEADER_ALL	-.792	-5.138	.000	-.815	-5.515	.000	-.530	-4.193	.000	-.725	-8.932	.000
LR-statistic		1840.316	.000		2881.140	.000		2934.560	.000		7568.154	.000
McFadden R ²		.111			.168			.170			.147	
Total correctly predicted		79.40%			87.93%			91.20%			87.97%	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, FEERESID = error term from audit fee model in primary results in Table 4.3, OTHERSERVICES = 1 if auditor provided other services, LEADER_ALL = 1 if top ten leading auditor (excluding LEADER_3).

Appendix BF.9: Audit quality estimation for industry leaders for SMSFs sample excluding LEADER_2, 2008-2010

	Panel A (2008 year n=26,920)			Panel B (2009 year n=33,480)			Panel C (2010 year n=38,327)			Panel D (All years n=98,727)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.664	-15.464	.000	-6.043	-18.406	.000	-6.674	-19.243	.000	-5.764	-30.572	.000
LASSETS	.228	9.075	.000	.342	12.503	.000	.362	12.798	.000	.305	19.564	.000
PARTICIPANTS	.065	2.019	.044	.102	3.112	.002	.128	3.701	.000	.095	4.943	.000
ROA	.685	1.758	.079	1.015	1.845	.065	1.661	3.505	.001	1.645	6.472	.000
LCASH	-.055	-6.080	.000	-.104	-12.167	.000	-.093	-10.319	.000	-.086	-16.792	.000
LPROPERTY	-.010	-2.278	.023	-.020	-4.172	.000	-.015	-3.136	.002	-.015	-5.299	.000
LSHARES	-.020	-4.580	.000	-.040	-8.918	.000	-.036	-8.065	.000	-.033	-13.001	.000
FOREIGN	-.359	-3.550	.000	-.298	-2.701	.007	-.398	-3.429	.001	-.344	-5.479	.000
ARTWORK	.298	2.331	.020	.151	1.101	.271	.237	1.715	.086	.229	2.970	.003
BORROWING	.256	1.435	.151	.332	2.240	.025	-.106	-.804	.422	.061	.714	.476
INHOUSE	2.141	25.257	.000	2.442	28.431	.000	2.607	32.306	.000	2.390	49.747	.000
DISPOSAL	-.458	-8.248	.000	-.459	-8.590	.000	-.488	-8.895	.000	-.429	-13.855	.000
LOSSES	.222	2.752	.006	.237	3.102	.002	.248	3.424	.001	.223	5.190	.000
OPINION	1.795	26.262	.000	2.107	31.103	.000	2.179	32.028	.000	2.033	52.068	.000
LAG	.003	.077	.939	.274	5.611	.000	.233	4.655	.000	.214	7.774	.000
FEERESID	.181	5.218	.000	.286	7.488	.000	.237	6.031	.000	.219	10.095	.000
OTHERSERVICES	.334	5.804	.000	.329	5.195	.000	.240	3.478	.001	.345	9.553	.000
LEADER_ALL	-.918	-5.849	.000	-1.010	-6.176	.000	-.580	-4.297	.000	-.836	-9.646	.000
LR-statistic		1860.061	.000		2878.196	.000		2930.753	.000		7577.867	.000
McFadden R ²		.112			.169			.170			.148	
Total correctly predicted		79.46%			87.99%			91.20%			87.99%	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, FEERESID = error term from audit fee model in primary results in Table 4.3, OTHERSERVICES = 1 if auditor provided other services, LEADER_ALL = 1 if top ten leading auditor (excluding LEADER_2).

Appendix BF.10: Audit quality estimation for industry leaders for SMSFs sample excluding LEADER_1, 2008-2010

	Panel A (2008 year n=26,722)			Panel B (2009 year n=33,311)			Panel C (2010 year n=38,267)			Panel D (All years n=98,300)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.587	-15.192	.000	-6.037	-18.461	.000	-6.681	-19.353	.000	-5.736	-30.493	.000
LASSETS	.222	8.825	.000	.343	12.571	.000	.363	12.909	.000	.304	19.509	.000
PARTICIPANTS	.064	2.003	.045	.101	3.082	.002	.124	3.597	.000	.093	4.859	.000
ROA	.742	1.902	.057	1.056	1.922	.055	1.753	3.717	.000	1.705	6.721	.000
LCASH	-.055	-6.154	.000	-.106	-12.311	.000	-.093	-10.337	.000	-.086	-16.937	.000
LPROPERTY	-.010	-2.095	.036	-.021	-4.205	.000	-.017	-3.389	.001	-.015	-5.361	.000
LSHARES	-.019	-4.468	.000	-.039	-8.735	.000	-.036	-8.181	.000	-.033	-12.899	.000
FOREIGN	-.354	-3.498	.001	-.288	-2.616	.009	-.403	-3.458	.001	-.340	-5.414	.000
ARTWORK	.298	2.332	.020	.148	1.083	.279	.239	1.746	.081	.229	2.976	.003
BORROWING	.257	1.440	.150	.346	2.363	.018	-.108	-.818	.414	.063	.746	.455
INHOUSE	2.135	25.245	.000	2.456	28.659	.000	2.608	32.453	.000	2.394	49.968	.000
DISPOSAL	-.459	-8.267	.000	-.466	-8.736	.000	-.496	-9.067	.000	-.434	-14.065	.000
LOSSES	.224	2.772	.006	.224	2.925	.003	.258	3.589	.000	.222	5.178	.000
OPINION	1.793	26.252	.000	2.099	31.048	.000	2.166	31.907	.000	2.026	51.978	.000
LAG	-.003	-.065	.948	.274	5.610	.000	.237	4.758	.000	.213	7.754	.000
FEERESID	.183	5.282	.000	.288	7.543	.000	.243	6.208	.000	.223	10.272	.000
OTHERSERVICES	.328	5.705	.000	.324	5.129	.000	.231	3.358	.001	.338	9.377	.000
LEADER_ALL	-.728	-4.647	.000	-.733	-4.836	.000	-.381	-3.010	.003	-.619	-7.528	.000
LR-statistic		1826.093	.000		2860.878	.000		2925.916	.000		7522.718	.000
McFadden R ²		.110			.167			.170			.147	
Total correctly predicted		79.36%			87.90%			91.10%			87.91%	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, FEERESID = error term from audit fee model in primary results in Table 4.3, OTHERSERVICES = 1 if auditor provided other services, LEADER_ALL = 1 if top ten leading auditor (excluding LEADER_1).

**Appendix BG: Audit quality estimation for professional body members for Australian SMSFs sample excluding one state at a time, 2008-10
(Dependent variable is breaches reported)**

Appendix BG.1: Audit quality estimation for professional body members for SMSFs sample excluding ACT, 2008-2010

	Panel A (2008 year n=26,777)			Panel B (2009 year n=33,378)			Panel C (2010 year n=38,397)			Panel D (All years n=98,552)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.494	-14.806	.000	-6.074	-18.857	.000	-6.836	-20.412	.000	-5.811	-31.543	.000
<i>LASSETS</i>	.227	9.326	.000	.341	13.284	.000	.366	13.692	.000	.306	20.773	.000
<i>PARTICIPANTS</i>	.065	1.997	.046	.096	2.837	.005	.127	3.660	.000	.092	4.749	.000
<i>ROA</i>	.714	1.903	.057	1.114	2.170	.030	1.734	3.668	.000	1.717	6.946	.000
<i>LCASH</i>	-.057	-6.006	.000	-.109	-11.911	.000	-.098	-9.938	.000	-.090	-16.422	.000
<i>LPROPERTY</i>	-.009	-2.087	.037	-.021	-4.523	.000	-.016	-3.487	.001	-.015	-5.563	.000
<i>LSHARES</i>	-.020	-4.449	.000	-.041	-8.995	.000	-.037	-8.065	.000	-.034	-12.901	.000
<i>FOREIGN</i>	-.355	-3.549	.000	-.295	-2.673	.008	-.419	-3.542	.000	-.347	-5.531	.000
<i>ARTWORK</i>	.330	2.645	.008	.185	1.405	.160	.270	2.051	.040	.263	3.548	.000
<i>BORROWING</i>	.229	1.241	.215	.335	2.280	.023	-.114	-.868	.386	.051	.597	.551
<i>INHOUSE</i>	2.167	24.336	.000	2.452	28.682	.000	2.632	32.259	.000	2.412	49.245	.000
<i>DISPOSAL</i>	-.470	-8.520	.000	-.479	-9.040	.000	-.514	-9.481	.000	-.449	-14.566	.000
<i>LOSSES</i>	.211	2.608	.009	.231	3.039	.002	.246	3.398	.001	.217	5.005	.000
<i>OPINION</i>	1.788	25.476	.000	2.109	31.255	.000	2.176	31.767	.000	2.029	51.330	.000
<i>LAG</i>	-.003	-.059	.953	.251	5.146	.000	.231	4.632	.000	.205	7.456	.000
<i>FEERESID</i>	.209	5.984	.000	.320	8.407	.000	.265	6.690	.000	.250	11.554	.000
<i>OTHERSERVICES</i>	.334	5.854	.000	.326	5.245	.000				.345	9.684	.000
<i>AG</i>	.600	1.213	.225	.881	2.133	.033	.245	3.584	.000	.942	3.004	.003
<i>RCA</i>	.008	.066	.948	.124	.900	.368	.197	1.519	.129	.151	2.012	.044
<i>CPA_ICAA_CPA</i>	-.175	-1.633	.102	.104	.886	.376	.154	1.441	.150	.063	.994	.320
LR-statistic		1810.500	.000		2845.912	.000		2949.304	.000		7503.243	.000
McFadden R ²		.110			.168			.172			.147	
Total correctly predicted		79.72%			88.14%			91.17%			88.11%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 4, *OTHERSERVICES* = 1 if auditor provided other services *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix BG.2: Audit quality estimation for professional body members for SMSFs sample excluding NSW, 2008-2010

	Panel A (2008 year n=18,985)			Panel B (2009 year n=23,717)			Panel C (2010 year n=27,380)			Panel D (All years n=70,082)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.865	-12.752	.000	-6.548	-16.230	.000	-7.106	-17.068	.000	-6.178	-26.810	.000
<i>LASSETS</i>	.229	7.553	.000	.356	11.172	.000	.381	11.561	.000	.316	17.309	.000
<i>PARTICIPANTS</i>	.060	1.466	.143	.095	2.249	.025	.086	1.943	.052	.078	3.178	.002
<i>ROA</i>	1.026	2.297	.022	1.129	1.829	.067	2.277	4.022	.000	2.019	6.835	.000
<i>LCASH</i>	-.064	-5.424	.000	-.112	-9.966	.000	-.108	-8.828	.000	-.097	-14.334	.000
<i>LPROPERTY</i>	-.006	-1.111	.266	-.013	-2.317	.021	-.017	-2.967	.003	-.011	-3.413	.001
<i>LSHARES</i>	-.024	-4.310	.000	-.036	-6.360	.000	-.035	-6.146	.000	-.032	-10.022	.000
<i>FOREIGN</i>	-.349	-2.937	.003	-.308	-2.310	.021	-.402	-2.871	.004	-.343	-4.585	.000
<i>ARTWORK</i>	.436	2.863	.004	.089	.530	.597	.233	1.449	.148	.256	2.785	.005
<i>BORROWING</i>	.291	1.328	.184	.456	2.675	.008	.025	.160	.873	.169	1.674	.094
<i>INHOUSE</i>	2.218	20.841	.000	2.436	23.501	.000	2.634	26.322	.000	2.421	40.806	.000
<i>DISPOSAL</i>	-.435	-6.425	.000	-.454	-7.007	.000	-.541	-8.114	.000	-.440	-11.642	.000
<i>LOSSES</i>	.323	3.276	.001	.294	3.150	.002	.338	3.836	.000	.303	5.740	.000
<i>OPINION</i>	1.828	21.665	.000	2.063	25.359	.000	2.155	25.374	.000	2.019	42.031	.000
<i>LAG</i>	.005	.082	.935	.300	5.049	.000	.210	3.422	.001	.217	6.428	.000
<i>FEERESID</i>	.259	5.692	.000	.390	7.939	.000	.320	6.338	.000	.299	10.750	.000
<i>OTHERSERVICES</i>	.415	5.798	.000	.368	4.675	.000				.411	9.154	.000
<i>AG</i>	1.368	2.363	.018	.949	1.987	.047	.332	3.874	.000	1.251	3.426	.001
<i>RCA</i>	.410	2.523	.012	.241	1.354	.176	.383	2.355	.019	.395	4.118	.000
<i>CPA_ICAA_CPA</i>	.157	1.100	.271	.266	1.743	.081	.345	2.542	.011	.294	3.583	.000
LR-statistic		1327.543	.000		1969.225	.000		1967.068	.000		5209.796	.000
McFadden R ²		.118			.172			.171			.152	
Total correctly predicted		82.15%			89.09%			91.75%			88.98%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 4, *OTHERSERVICES* = 1 if auditor provided other services *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix BG.3: Audit quality estimation for professional body members for SMSFs sample excluding NT, 2008-2010

	Panel A (2008 year n=27,024)			Panel B (2009 year n=33,708)			Panel C (2010 year n=38,757)			Panel D (All years n=99,489)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.509	-14.898	.000	-6.092	-19.055	.000	-6.817	-20.439	.000	-5.821	-31.737	.000
<i>LASSETS</i>	.226	9.313	.000	.341	13.352	.000	.358	13.463	.000	.303	20.679	.000
<i>PARTICIPANTS</i>	.064	1.973	.049	.103	3.074	.002	.127	3.689	.000	.095	4.904	.000
<i>ROA</i>	.768	2.050	.040	1.151	2.253	.024	1.800	3.825	.000	1.763	7.155	.000
<i>LCASH</i>	-.056	-5.931	.000	-.107	-11.784	.000	-.095	-9.672	.000	-.087	-16.160	.000
<i>LPROPERTY</i>	-.009	-2.111	.035	-.020	-4.251	.000	-.016	-3.354	.001	-.014	-5.357	.000
<i>LSHARES</i>	-.020	-4.332	.000	-.040	-8.796	.000	-.037	-8.039	.000	-.033	-12.683	.000
<i>FOREIGN</i>	-.361	-3.607	.000	-.294	-2.682	.007	-.409	-3.480	.001	-.346	-5.534	.000
<i>ARTWORK</i>	.297	2.386	.017	.155	1.179	.239	.267	2.038	.042	.241	3.251	.001
<i>BORROWING</i>	.279	1.528	.127	.336	2.286	.022	-.106	-.814	.416	.064	.753	.452
<i>INHOUSE</i>	2.144	24.144	.000	2.448	28.731	.000	2.624	32.333	.000	2.401	49.202	.000
<i>DISPOSAL</i>	-.477	-8.680	.000	-.486	-9.213	.000	-.511	-9.470	.000	-.453	-14.776	.000
<i>LOSSES</i>	.220	2.722	.007	.232	3.058	.002	.252	3.495	.001	.222	5.159	.000
<i>OPINION</i>	1.810	26.034	.000	2.103	31.294	.000	2.164	31.695	.000	2.030	51.653	.000
<i>LAG</i>	-.008	-.180	.858	.263	5.435	.000	.238	4.796	.000	.208	7.588	.000
<i>FEERESID</i>	.203	5.825	.000	.310	8.222	.000	.255	6.473	.000	.242	11.254	.000
<i>OTHERSERVICES</i>	.340	5.976	.000	.335	5.428	.000				.349	9.822	.000
<i>AG</i>	.612	1.238	.216	.983	2.489	.013	.242	3.542	.000	1.036	3.405	.001
<i>RCA</i>	-.003	-.026	.980	.097	.730	.465	.251	1.971	.049	.156	2.131	.033
<i>CPA_ICAA_CPA</i>	-.164	-1.587	.113	.066	.596	.551	.201	1.926	.054	.072	1.178	.239
LR-statistic		1831.508	.000		2867.655	.000		2945.948	.000		7548.010	.000
McFadden R ²		.110			.167			.170			.147	
Total correctly predicted		79.99%			88.98%			91.25%			88.15%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 4, *OTHERSERVICES* = 1 if auditor provided other services *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix BG.4: Audit quality estimation for professional body members for SMSFs sample excluding QLD, 2008-2010

	Panel A (2008 year n=22,204)			Panel B (2009 year n=27,821)			Panel C (2010 year n=32,075)			Panel D (All years n=82,100)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.494	-13.447	.000	-5.669	-16.048	.000	-6.522	-17.692	.000	-5.583	-27.566	.000
<i>LASSETS</i>	.224	8.308	.000	.313	10.896	.000	.329	11.092	.000	.284	17.351	.000
<i>PARTICIPANTS</i>	.070	1.949	.051	.113	3.068	.002	.161	4.287	.000	.110	5.193	.000
<i>ROA</i>	.657	1.562	.118	.690	1.172	.241	1.701	3.261	.001	1.586	5.713	.000
<i>LCASH</i>	-.050	-4.792	.000	-.102	-10.122	.000	-.091	-8.433	.000	-.083	-13.805	.000
<i>LPROPERTY</i>	-.011	-2.309	.021	-.016	-3.086	.002	-.012	-2.391	.017	-.013	-4.323	.000
<i>LSHARES</i>	-.021	-4.136	.000	-.043	-8.514	.000	-.034	-6.646	.000	-.034	-11.602	.000
<i>FOREIGN</i>	-.333	-3.013	.003	-.257	-2.120	.034	-.410	-3.128	.002	-.325	-4.695	.000
<i>ARTWORK</i>	.285	2.089	.037	.206	1.443	.149	.301	2.100	.036	.263	3.250	.001
<i>BORROWING</i>	.207	1.020	.308	.359	2.198	.028	-.208	-1.382	.167	.009	.092	.927
<i>INHOUSE</i>	2.037	20.353	.000	2.471	25.861	.000	2.599	28.906	.000	2.367	43.387	.000
<i>DISPOSAL</i>	-.473	-7.735	.000	-.493	-8.376	.000	-.499	-8.340	.000	-.447	-13.099	.000
<i>LOSSES</i>	.234	2.607	.009	.134	1.559	.119	.165	2.031	.042	.163	3.360	.001
<i>OPINION</i>	1.824	23.406	.000	2.114	28.031	.000	2.143	27.797	.000	2.032	46.011	.000
<i>LAG</i>	-.028	-.557	.578	.214	3.959	.000	.265	4.827	.000	.195	6.398	.000
<i>FEERESID</i>	.190	4.973	.000	.290	6.931	.000	.259	5.988	.000	.233	9.832	.000
<i>OTHERSERVICES</i>	.310	4.857	.000	.321	4.641	.000				.313	7.865	.000
<i>AG</i>	.615	1.109	.267	.921	2.150	.032	.178	2.326	.020	1.004	3.002	.003
<i>RCA</i>	-.045	-.350	.726	-.019	-.136	.892	.229	1.721	.085	.097	1.265	.206
<i>CPA_ICAA_CPA</i>	-.190	-1.758	.079	-.026	-.229	.819	.137	1.265	.206	.014	.214	.831
LR-statistic		1372.347	.000		2240.538	.000		2294.013	.000		5804.499	.000
McFadden R ²		.102			.162			.163			.140	
Total correctly predicted		80.08%			88.45%			91.62%			88.63%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 4, *OTHERSERVICES* = 1 if auditor provided other services *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix BG.5: Audit quality estimation for professional body members for SMSFs sample excluding SA, 2008-2010

	Panel A (2008 year n=25,339)			Panel B (2009 year n=31,430)			Panel C (2010 year n=36,025)			Panel D (All years n=92,794)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.488	-14.514	.000	-6.373	-19.252	.000	-7.047	-20.390	.000	-5.964	-31.560	.000
<i>LASSETS</i>	.221	8.898	.000	.354	13.493	.000	.364	13.306	.000	.307	20.413	.000
<i>PARTICIPANTS</i>	.072	2.166	.030	.112	3.251	.001	.136	3.826	.000	.103	5.200	.000
<i>ROA</i>	.756	1.981	.048	1.339	2.554	.011	1.363	2.760	.006	1.687	6.651	.000
<i>LCASH</i>	-.054	-5.531	.000	-.109	-11.720	.000	-.095	-9.443	.000	-.088	-15.733	.000
<i>LPROPERTY</i>	-.009	-1.905	.057	-.021	-4.387	.000	-.016	-3.300	.001	-.014	-5.317	.000
<i>LSHARES</i>	-.021	-4.542	.000	-.040	-8.466	.000	-.039	-8.310	.000	-.034	-12.793	.000
<i>FOREIGN</i>	-.367	-3.552	.000	-.270	-2.404	.016	-.376	-3.122	.002	-.330	-5.132	.000
<i>ARTWORK</i>	.329	2.603	.009	.143	1.056	.291	.240	1.775	.076	.239	3.149	.002
<i>BORROWING</i>	.270	1.436	.151	.322	2.095	.036	-.179	-1.304	.192	.026	.290	.772
<i>INHOUSE</i>	2.165	24.041	.000	2.481	28.214	.000	2.643	31.601	.000	2.425	48.427	.000
<i>DISPOSAL</i>	-.440	-7.801	.000	-.472	-8.679	.000	-.487	-8.741	.000	-.429	-13.561	.000
<i>LOSSES</i>	.223	2.694	.007	.245	3.134	.002	.225	3.030	.002	.216	4.882	.000
<i>OPINION</i>	1.790	25.050	.000	2.149	30.942	.000	2.186	31.209	.000	2.045	50.572	.000
<i>LAG</i>	.002	.041	.967	.283	5.657	.000	.257	5.015	.000	.224	7.920	.000
<i>FEERESID</i>	.183	5.132	.000	.314	8.106	.000	.260	6.414	.000	.239	10.805	.000
<i>OTHERSERVICES</i>	.321	5.458	.000	.299	4.658	.000				.306	8.296	.000
<i>AG</i>	.209	.344	.731	1.139	2.519	.012	.161	2.242	.025	1.003	2.810	.005
<i>RCA</i>	.026	.212	.832	.237	1.710	.087	.420	3.084	.002	.264	3.483	.001
<i>CPA_ICAA_CPA</i>	-.163	-1.568	.117	.167	1.422	.155	.382	3.364	.001	.158	2.482	.013
LR-statistic		1746.033	.000		2779.221	.000		2852.809	.000		7269.541	.000
McFadden R ²		.111			.172			.175			.150	
Total correctly predicted		79.80%			87.99%			91.17%			88.07%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 4, *OTHERSERVICES* = 1 if auditor provided other services *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix BG.6: Audit quality estimation for professional body members for SMSFs sample excluding TAS, 2008-2010

	Panel A (2008 year n=26,679)			Panel B (2009 year n=33,307)			Panel C (2010 year n=38,233)			Panel D (All years n=98,219)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.412	-14.511	.000	-6.005	-18.668	.000	-6.827	-20.245	.000	-5.754	-31.149	.000
<i>LASSETS</i>	.216	8.866	.000	.332	12.902	.000	.355	13.224	.000	.295	19.998	.000
<i>PARTICIPANTS</i>	.058	1.767	.077	.098	2.900	.004	.123	3.515	.000	.089	4.574	.000
<i>ROA</i>	.726	1.928	.054	1.108	2.158	.031	1.783	3.758	.000	1.719	6.929	.000
<i>LCASH</i>	-.054	-5.637	.000	-.105	-11.507	.000	-.093	-9.410	.000	-.086	-15.674	.000
<i>LPROPERTY</i>	-.008	-1.715	.086	-.018	-3.916	.000	-.013	-2.872	.004	-.012	-4.644	.000
<i>LSHARES</i>	-.019	-4.146	.000	-.039	-8.491	.000	-.036	-7.894	.000	-.032	-12.318	.000
<i>FOREIGN</i>	-.367	-3.640	.000	-.273	-2.485	.013	-.399	-3.374	.001	-.339	-5.387	.000
<i>ARTWORK</i>	.287	2.281	.023	.173	1.316	.188	.239	1.780	.075	.235	3.138	.002
<i>BORROWING</i>	.275	1.509	.131	.315	2.129	.033	-.127	-.962	.336	.050	.579	.563
<i>INHOUSE</i>	2.152	24.239	.000	2.442	28.481	.000	2.632	32.172	.000	2.405	49.030	.000
<i>DISPOSAL</i>	-.470	-8.487	.000	-.481	-9.056	.000	-.503	-9.253	.000	-.447	-14.455	.000
<i>LOSSES</i>	.232	2.864	.004	.231	3.025	.003	.250	3.434	.001	.223	5.140	.000
<i>OPINION</i>	1.815	26.017	.000	2.107	31.275	.000	2.168	31.495	.000	2.035	51.516	.000
<i>LAG</i>	-.007	-.156	.876	.273	5.586	.000	.241	4.804	.000	.213	7.703	.000
<i>FEERESID</i>	.203	5.804	.000	.310	8.146	.000	.255	6.414	.000	.242	11.182	.000
<i>OTHERSERVICES</i>	.333	5.792	.000	.326	5.220	.000				.331	9.185	.000
<i>AG</i>	.614	1.242	.214	.990	2.504	.012	.196	2.800	.005	1.049	3.444	.001
<i>RCA</i>	-.004	-.035	.972	.090	.671	.502	.275	2.134	.033	.162	2.200	.028
<i>CPA_ICAA_CPA</i>	-.165	-1.592	.111	.069	.613	.540	.225	2.116	.034	.079	1.290	.197
LR-statistic		1816.720	.000		2828.189	.000		2899.470	.000		7445.832	.000
McFadden R ²		.111			.167			.170			.147	
Total correctly predicted		80.28%			88.24%			91.36%			88.36%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 4, *OTHERSERVICES* = 1 if auditor provided other services *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix BG.7: Audit quality estimation for professional body members for SMSFs sample excluding VIC, 2008-2010

	Panel A (2008 year n=19,018)			Panel B (2009 year n=23,985)			Panel C (2010 year n=27,423)			Panel D (All years n=70,426)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.163	-11.866	.000	-6.052	-16.407	.000	-6.704	-17.440	.000	-5.649	-26.656	.000
<i>LASSETS</i>	.218	7.830	.000	.365	12.500	.000	.359	11.795	.000	.308	18.364	.000
<i>PARTICIPANTS</i>	.068	1.812	.070	.087	2.237	.025	.166	4.246	.000	.106	4.748	.000
<i>ROA</i>	.699	1.613	.107	.943	1.629	.103	1.979	3.732	.000	1.714	6.089	.000
<i>LCASH</i>	-.056	-5.264	.000	-.105	-9.977	.000	-.089	-7.858	.000	-.086	-13.700	.000
<i>LPROPERTY</i>	-.007	-1.363	.173	-.028	-5.290	.000	-.017	-3.223	.001	-.016	-5.428	.000
<i>LSHARES</i>	-.016	-3.124	.002	-.039	-7.567	.000	-.035	-6.725	.000	-.031	-10.496	.000
<i>FOREIGN</i>	-.346	-2.920	.004	-.345	-2.626	.009	-.369	-2.686	.007	-.344	-4.642	.000
<i>ARTWORK</i>	.186	1.294	.196	.164	1.113	.266	.177	1.171	.242	.177	2.082	.037
<i>BORROWING</i>	.357	1.759	.079	.228	1.333	.183	.005	.033	.974	.096	1.003	.316
<i>INHOUSE</i>	2.170	21.046	.000	2.360	23.543	.000	2.614	27.524	.000	2.379	41.680	.000
<i>DISPOSAL</i>	-.489	-7.701	.000	-.519	-8.592	.000	-.513	-8.264	.000	-.470	-13.335	.000
<i>LOSSES</i>	.154	1.668	.095	.251	2.941	.003	.275	3.368	.001	.218	4.463	.000
<i>OPINION</i>	1.730	21.667	.000	2.094	26.893	.000	2.170	28.209	.000	2.003	44.503	.000
<i>LAG</i>	.012	.238	.812	.220	3.952	.000	.213	3.731	.000	.195	6.184	.000
<i>FEERESID</i>	.207	5.217	.000	.281	6.619	.000	.191	4.246	.000	.216	8.833	.000
<i>OTHERSERVICES</i>	.272	4.258	.000	.332	4.857	.000				.339	8.615	.000
<i>AG</i>	.221	.406	.685	1.096	2.465	.014	.294	3.945	.000	.937	2.780	.005
<i>RCA</i>	-.243	-1.708	.088	-.094	-.620	.535	-.056	-.379	.705	-.095	-1.135	.256
<i>CPA_ICAA_CPA</i>	-.383	-3.248	.001	-.167	-1.334	.182	-.024	-.201	.841	-.155	-2.246	.025
LR-statistic		1325.705	.000		2058.401	.000		2199.131	.000		5509.328	.000
McFadden R ²		.108			.161			.169			.144	
Total correctly predicted		76.72%			86.67%			90.43%			86.78%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 4, *OTHERSERVICES* = 1 if auditor provided other services *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix BG.8: Audit quality estimation for professional body members for SMSFs sample excluding WA, 2008-2010

	Panel A (2008 year n=23,549)			Panel B (2009 year n=29,113)			Panel C (2010 year n=33,626)			Panel D (All years n=86,288)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.342	-13.491	.000	-6.105	-18.103	.000	-6.635	-18.747	.000	-5.716	-29.403	.000
<i>LASSETS</i>	.214	8.346	.000	.339	12.562	.000	.347	12.276	.000	.295	18.975	.000
<i>PARTICIPANTS</i>	.049	1.411	.158	.118	3.348	.001	.092	2.466	.014	.083	4.034	.000
<i>ROA</i>	.852	2.092	.037	1.563	2.844	.005	1.876	3.695	.000	1.907	7.159	.000
<i>LCASH</i>	-.057	-5.776	.000	-.108	-11.227	.000	-.089	-8.574	.000	-.086	-15.029	.000
<i>LPROPERTY</i>	-.010	-2.076	.038	-.020	-4.120	.000	-.015	-3.080	.002	-.014	-5.096	.000
<i>LSHARES</i>	-.015	-3.182	.002	-.037	-7.774	.000	-.037	-7.741	.000	-.031	-11.192	.000
<i>FOREIGN</i>	-.431	-3.977	.000	-.363	-3.062	.002	-.511	-3.959	.000	-.425	-6.249	.000
<i>ARTWORK</i>	.329	2.424	.015	.146	1.017	.309	.322	2.243	.025	.269	3.326	.001
<i>BORROWING</i>	.204	.986	.324	.265	1.642	.101	-.136	-.962	.336	.009	.097	.923
<i>INHOUSE</i>	2.124	22.337	.000	2.472	27.610	.000	2.574	30.028	.000	2.385	46.171	.000
<i>DISPOSAL</i>	-.534	-9.116	.000	-.509	-9.056	.000	-.519	-9.018	.000	-.483	-14.757	.000
<i>LOSSES</i>	.213	2.459	.014	.271	3.337	.001	.253	3.253	.001	.236	5.079	.000
<i>OPINION</i>	1.856	24.765	.000	2.102	29.051	.000	2.142	29.100	.000	2.037	48.136	.000
<i>LAG</i>	-.014	-.295	.768	.288	5.592	.000	.226	4.255	.000	.208	7.079	.000
<i>FEERESID</i>	.184	4.973	.000	.294	7.382	.000	.234	5.586	.000	.225	9.862	.000
<i>OTHERSERVICES</i>	.373	6.130	.000	.330	5.006	.000				.373	9.842	.000
<i>AG</i>	.777	1.539	.124	.996	2.495	.013	.284	3.892	.000	1.102	3.576	.000
<i>RCA</i>	.067	.522	.602	.121	.873	.383	.271	2.049	.041	.201	2.634	.008
<i>CPA_ICAA_CPA</i>	-.151	-1.380	.168	.083	.720	.472	.187	1.719	.086	.082	1.282	.200
LR-statistic		1644.410	.000		2574.932	.000		2533.456	.000		6666.666	.000
McFadden R ²		.113			.170			.168			.148	
Total correctly predicted		79.78%			87.47%			91.19%			87.86%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 4, *OTHERSERVICES* = 1 if auditor provided other services *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

**Appendix BH: Non-audit services (NAS) fee estimation for industry leaders for SMSFs sample excluding LEADER_6, 2008-10
(Dependent variable is log of non-audit fees)**

	Panel A (2008 year n=2,992)			Panel B (2009 year n=3,790)			Panel C (2010 year n=3,598)			Panel D (All years n=10,380)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	.693	3.590	.000	1.588	5.762	.000	1.513	5.360	.000	1.343	8.943	.000
LASSETS	.184	12.927	.000	.273	12.533	.000	.261	11.940	.000	.242	21.047	.000
PARTICIPANTS	.039	2.267	.024	.032	1.240	.215	.014	.537	.591	.025	1.735	.083
ROA	-.847	-4.440	.000	-1.098	-3.126	.002	-1.755	-4.905	.000	-.838	-5.178	.000
LCASH	-.014	-2.572	.010	-.019	-2.221	.026	-.010	-1.090	.276	-.017	-3.648	.000
LPROPERTY	.000	.125	.900	.003	.985	.325	.009	2.369	.018	.005	2.542	.011
LSHARES	-.000	-.179	.858	.004	1.172	.242	.003	.894	.371	.001	.541	.589
FOREIGN	.174	4.629	.000	.353	6.987	.000	.265	4.483	.000	.280	9.446	.000
LCONT	.001	.319	.750	.005	1.244	.213	-.001	-.227	.820	.002	.919	.358
ARTWORK	.031	.477	.633	.043	.495	.621	-.038	-.413	.680	.012	.246	.805
BORROWING	.097	1.289	.198	-.025	-.162	.871	.223	2.104	.036	.101	1.434	.152
RESERVEACCTS	.146	1.019	.308	.271	1.254	.210	.181	1.059	.290	.205	1.847	.065
INHOUSE	-.010	-.145	.885	.256	2.437	.015	.093	.845	.398	.123	2.211	.027
DISPOSAL	.243	7.999	.000	.301	8.324	.000	.279	7.267	.000	.312	14.777	.000
LOSSES	.151	3.490	.001	.370	6.626	.000	.256	4.742	.000	.277	8.863	.000
OPINION	-.016	-.253	.801	-.018	-.247	.805	.051	.617	.537	-.003	-.065	.948
LAG	.015	.608	.543	-.001	-.039	.969	.057	1.451	.147	.048	2.369	.018
LAF	-.017	-.725	.469	-.374	-12.274	.000	-.346	-9.898	.000	-.267	-14.880	.000
LEADER_ALL	.322	.668	.504	.038	.447	.655	.668	3.317	.001	.565	2.755	.006
F-statistic		25.006	.000		32.448	.000		26.653	.000		76.734	.000
Adjusted R ²		.126			.130			.114			.116	

LASSETS = natural log of total assets, PARTICIPANTS = number of members, ROA = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, LCASH = natural log of cash, LPROPERTY = natural log of property investments, LSHARES = natural log of share investments, FOREIGN = proportion of total assets that invested overseas, LCONT = natural log of total concessional contributions received, ARTWORK = 1 if investment in artwork, collectables, metals or jewels, BORROWING = 1 if borrowed, RESERVEACCTS = 1 if reserve accounts, INHOUSE = 1 if in-house assets, DISPOSAL = 1 if disposal of an asset which has resulted in a CGT event, LOSSES = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, OPINION = 1 if qualified audit opinion, LAG = 1 if audit completed after the lodgement due date, LAF = natural log of audit fees paid, LEADER_ALL = 1 if top ten leading auditor.

**Appendix BI: Non-audit services (NAS) fee estimation for professional body members for sample excluding one state at a time, 2008-10
(Dependent variable is log of non-audit fees)**

Appendix BI.1: Non-audit services (NAS) fee estimation for professional body members for SMSFs sample excluding ACT, 2008-2010

	Panel A (2008 year n=3,131)			Panel B (2009 year n=3,983)			Panel C (2010 year n=3,817)			Panel D (All years n=10,931)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	.528	2.680	.007	1.477	5.328	.000	1.729	5.991	.000	1.300	8.533	.000
<i>LASSETS</i>	.210	14.880	.000	.295	13.743	.000	.279	12.914	.000	.265	23.336	.000
<i>PARTICIPANTS</i>	.035	2.021	.043	.030	1.217	.224	.007	.287	.774	.021	1.524	.128
<i>ROA</i>	-.903	-4.846	.000	-1.329	-3.803	.000	-2.061	-5.962	.000	-1.029	-6.523	.000
<i>LCASH</i>	-.011	-2.031	.042	-.016	-1.898	.058	-.009	-.934	.351	-.015	-3.123	.002
<i>LPROPERTY</i>	-.003	-1.312	.190	.000	.084	.933	.006	1.721	.085	.002	.958	.338
<i>LSHARES</i>	-.001	-.531	.596	.004	1.237	.216	.004	1.255	.210	.001	.626	.531
<i>FOREIGN</i>	.130	3.478	.001	.304	6.063	.000	.194	3.296	.001	.223	7.518	.000
<i>LCONT</i>	-.002	-.762	.446	.002	.442	.658	-.003	-.902	.367	-.001	-.515	.606
<i>ARTWORK</i>	-.000	-.006	.995	.038	.439	.661	-.075	-.803	.422	-.009	-.188	.851
<i>BORROWING</i>	.049	.648	.517	-.033	-.208	.835	.193	1.800	.072	.073	1.026	.305
<i>RESERVEACCTS</i>	.126	.886	.376	.224	1.000	.317	.139	.818	.413	.177	1.577	.115
<i>INHOUSE</i>	-.042	-.633	.527	.250	2.310	.021	.058	.516	.606	.100	1.765	.078
<i>DISPOSAL</i>	.290	9.873	.000	.344	9.956	.000	.341	9.354	.000	.361	17.825	.000
<i>LOSSES</i>	.156	3.644	.000	.351	6.511	.000	.237	4.508	.000	.267	8.800	.000
<i>OPINION</i>	-.017	-.269	.788	-.061	-.811	.417	.056	.720	.472	-.022	-.512	.609
<i>LAG</i>	.077	3.259	.001	-.004	-.119	.905				.056	2.917	.004
<i>LAF</i>	-.065	-2.766	.006	-.433	-14.426	.000	.030	.794	.427	-.322	-17.988	.000
<i>AG</i>	-.012	-.044	.965	.731	4.392	.000	-.407	-11.602	.000	.409	2.702	.007
<i>RCA</i>	.068	.932	.351	.294	3.328	.001	.005	.047	.962	.142	2.726	.006
<i>CPA_ICAA_IPA</i>	.170	2.783	.005	.270	3.590	.000	.004	.057	.955	.165	3.825	.000
F-statistic		29.406	.000		39.357	.000		34.671	.000		93.213	.000
Adjusted R ²		.154			.162			.144			.144	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LAF* = natural log of audit fees paid.

Appendix BI.2: Non-audit services (NAS) fee estimation for professional body members for SMSFs sample excluding NSW, 2008-2010

	Panel A (2008 year n=2,071)			Panel B (2009 year n=2,583)			Panel C (2010 year n=2,527)			Panel D (All years n=7,181)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	.430	1.702	.089	1.286	3.765	.000	2.002	6.070	.000	1.340	7.241	.000
<i>LASSETS</i>	.194	11.256	.000	.294	11.557	.000	.250	10.376	.000	.248	18.582	.000
<i>PARTICIPANTS</i>	.028	1.341	.180	.020	.652	.515	.002	.057	.955	.015	.919	.358
<i>ROA</i>	-.977	-4.420	.000	-1.431	-3.584	.000	-2.095	-5.274	.000	-1.185	-6.510	.000
<i>LCASH</i>	-.006	-.835	.404	-.014	-1.419	.156	-.007	-.660	.509	-.012	-2.025	.043
<i>LPROPERTY</i>	-.004	-1.329	.184	-.002	-.595	.552	.007	1.577	.115	.001	.410	.682
<i>LSHARES</i>	-.002	-.701	.483	.001	.262	.793	.004	.862	.389	.001	.253	.800
<i>FOREIGN</i>	.109	2.523	.012	.281	5.073	.000	.128	1.826	.068	.185	5.338	.000
<i>LCONT</i>	-.001	-.227	.821	.001	.117	.907	.001	.176	.860	-.000	-.108	.914
<i>ARTWORK</i>	-.022	-.249	.803	-.174	-1.516	.130	-.188	-1.491	.136	-.137	-2.013	.044
<i>BORROWING</i>	.051	.712	.477	-.045	-.196	.845	.158	1.167	.243	.057	.619	.536
<i>RESERVEACCTS</i>	.234	1.179	.239	.388	2.273	.023	.254	1.521	.128	.279	2.640	.008
<i>INHOUSE</i>	-.120	-1.548	.122	.252	1.847	.065	-.066	-.423	.673	.035	.501	.617
<i>DISPOSAL</i>	.310	8.306	.000	.347	8.408	.000	.404	9.378	.000	.388	16.077	.000
<i>LOSSES</i>	.145	2.906	.004	.338	5.458	.000	.206	3.407	.001	.247	7.036	.000
<i>OPINION</i>	-.064	-.870	.384	-.015	-.162	.871	.237	3.092	.002	.055	1.116	.265
<i>LAG</i>	.095	3.421	.001	-.025	-.583	.560				.040	1.800	.072
<i>LAF</i>	-.013	-.422	.673	-.375	-9.450	.000	-.018	-.409	.683	-.283	-12.725	.000
<i>AG</i>	.135	1.706	.088	.780	5.638	.000	-.384	-9.832	.000	.572	5.582	.000
<i>RCA</i>	-.025	-.268	.788	.038	.327	.744	-.172	-1.550	.121	-.049	-.762	.446
<i>CPA_ICAA_IPA</i>	.126	1.692	.091	.219	2.334	.020	-.025	-.287	.774	.120	2.376	.018
F-statistic		20.282	.000		26.076	.000		25.534	.000		63.401	.000
Adjusted R ²		.157			.163			.156			.148	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LAF* = natural log of audit fees paid.

Appendix BI.3: Non-audit services (NAS) fee estimation for professional body members for SMSFs sample excluding NT, 2008-2010

	<u>Panel A (2008 year n=3,151)</u>			<u>Panel B (2009 year n=4,005)</u>			<u>Panel C (2010 year n=3,838)</u>			<u>Panel D (All years n=10,994)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	.551	2.801	.005	1.552	5.581	.000	1.774	6.175	.000	1.351	8.878	.000
<i>LASSETS</i>	.209	14.856	.000	.288	13.478	.000	.282	13.068	.000	.263	23.255	.000
<i>PARTICIPANTS</i>	.036	2.080	.038	.036	1.443	.149	.009	.345	.730	.024	1.762	.078
<i>ROA</i>	-.901	-4.833	.000	-1.350	-3.869	.000	-2.125	-6.159	.000	-1.053	-6.680	.000
<i>LCASH</i>	-.011	-2.025	.043	-.017	-1.946	.052	-.010	-1.018	.309	-.015	-3.219	.001
<i>LPROPERTY</i>	-.003	-1.314	.189	.001	.287	.774	.006	1.703	.089	.002	1.070	.285
<i>LSHARES</i>	-.001	-.389	.697	.004	1.193	.233	.004	1.165	.244	.001	.594	.553
<i>FOREIGN</i>	.122	3.251	.001	.310	6.187	.000	.199	3.364	.001	.226	7.636	.000
<i>LCONT</i>	-.002	-.784	.433	.003	.772	.440	-.003	-.927	.354	-.001	-.344	.731
<i>ARTWORK</i>	.005	.080	.936	.049	.561	.575	-.076	-.818	.413	-.005	-.099	.921
<i>BORROWING</i>	.066	.857	.391	-.030	-.187	.851	.196	1.825	.068	.078	1.088	.277
<i>RESERVEACCTS</i>	.131	.914	.361	.230	1.033	.302	.144	.846	.398	.180	1.609	.108
<i>INHOUSE</i>	-.038	-.565	.572	.241	2.261	.024	.057	.508	.611	.099	1.752	.080
<i>DISPOSAL</i>	.283	9.554	.000	.351	10.164	.000	.348	9.548	.000	.364	17.979	.000
<i>LOSSES</i>	.149	3.502	.001	.347	6.441	.000	.237	4.505	.000	.264	8.727	.000
<i>OPINION</i>	-.034	-.552	.581	-.053	-.708	.479	.074	.970	.332	-.017	-.389	.697
<i>LAG</i>	.080	3.364	.001	-.005	-.152	.879				.056	2.906	.004
<i>LAF</i>	-.067	-2.874	.004	-.436	-14.425	.000	.027	.704	.481	-.327	-18.263	.000
<i>AG</i>	-.016	-.058	.954	.730	4.382	.000	-.415	-11.921	.000	.402	2.654	.008
<i>RCA</i>	.062	.852	.394	.260	2.925	.004	-.014	-.146	.884	.117	2.262	.024
<i>CPA_ICAA_IPA</i>	.164	2.686	.007	.272	3.617	.000	-.017	-.224	.823	.155	3.609	.000
F-statistic		28.990	.000		39.179	.000		35.720	.000		93.747	.000
Adjusted R ²		.151			.160			.147			.144	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LAF* = natural log of audit fees paid.

Appendix BI.4: Non-audit services (NAS) fee estimation for professional body members for SMSFs sample excluding QLD, 2008-2010

	Panel A (2008 year n=2,507)			Panel B (2009 year n=3,297)			Panel C (2010 year n=3,188)			Panel D (All years n=8,992)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	.433	2.003	.045	1.714	5.672	.000	1.918	6.370	.000	1.425	8.682	.000
<i>LASSETS</i>	.216	13.542	.000	.289	11.828	.000	.275	11.615	.000	.263	20.567	.000
<i>PARTICIPANTS</i>	.041	2.038	.042	.036	1.368	.171	.018	.627	.531	.028	1.812	.070
<i>ROA</i>	-.945	-4.469	.000	-1.542	-3.891	.000	-2.348	-6.153	.000	-1.229	-6.904	.000
<i>LCASH</i>	-.013	-1.935	.053	-.024	-2.540	.011	-.013	-1.182	.237	-.019	-3.594	.000
<i>LPROPERTY</i>	-.007	-2.174	.030	.002	.477	.634	.005	1.139	.255	.001	.424	.672
<i>LSHARES</i>	-.002	-.682	.496	.003	.946	.344	.003	.773	.439	.000	.071	.944
<i>FOREIGN</i>	.108	2.431	.015	.307	5.149	.000	.217	3.360	.001	.227	6.730	.000
<i>LCONT</i>	-.002	-.632	.527	.003	.801	.423	-.003	-.818	.413	-.000	-.199	.842
<i>ARTWORK</i>	-.029	-3.97	.691	.059	.650	.516	-.063	-.639	.523	-.002	-.036	.971
<i>BORROWING</i>	.042	.441	.659	-.088	-.512	.609	.191	1.647	.100	.064	.807	.420
<i>RESERVEACCTS</i>	.059	.346	.729	.192	.748	.454	.134	.637	.524	.157	1.150	.250
<i>INHOUSE</i>	.060	.806	.421	.250	2.022	.043	.078	.663	.507	.142	2.212	.027
<i>DISPOSAL</i>	.321	9.439	.000	.359	9.399	.000	.374	9.359	.000	.386	17.139	.000
<i>LOSSES</i>	.145	3.011	.003	.305	5.033	.000	.180	3.037	.002	.224	6.546	.000
<i>OPINION</i>	.021	.304	.761	-.084	-.977	.329	-.022	-.241	.810	-.051	-1.014	.311
<i>LAG</i>	.114	4.214	.000	-.001	-.035	.972				.073	3.410	.001
<i>LAF</i>	-.064	-2.445	.015	-.445	-14.018	.000	.057	1.354	.176	-.330	-17.025	.000
<i>AG</i>	-.014	-.050	.960	.701	4.041	.000	-.419	-11.110	.000	.382	2.437	.015
<i>RCA</i>	.058	.759	.448	.266	2.932	.003	.057	.588	.556	.143	2.701	.007
<i>CPA_ICAA_IPA</i>	.156	2.470	.014	.260	3.410	.001	-.016	-.202	.840	.149	3.417	.001
F-statistic		24.528	.000		32.082	.000		30.023	.000		77.076	.000
Adjusted R ²		.158			.159			.148			.145	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LAF* = natural log of audit fees paid.

Appendix BI.5: Non-audit services (NAS) fee estimation for professional body members for SMSFs sample excluding SA, 2008-2010

	Panel A (2008 year n=2,956)			Panel B (2009 year n=3,766)			Panel C (2010 year n=3,591)			Panel D (All years n=10,313)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	.681	3.284	.001	1.417	4.874	.000	1.787	5.954	.000	1.365	8.555	.000
<i>LASSETS</i>	.213	14.712	.000	.302	13.576	.000	.287	12.717	.000	.270	22.949	.000
<i>PARTICIPANTS</i>	.029	1.634	.102	.039	1.498	.134	.011	.400	.689	.024	1.686	.092
<i>ROA</i>	-.979	-5.097	.000	-1.456	-4.018	.000	-2.125	-5.878	.000	-1.082	-6.649	.000
<i>LCASH</i>	-.012	-2.099	.036	-.016	-1.826	.068	-.009	-.866	.387	-.015	-3.072	.002
<i>LPROPERTY</i>	-.004	-1.420	.156	.000	.073	.942	.006	1.699	.089	.002	.883	.378
<i>LSHARES</i>	-.000	-.093	.926	.003	.894	.371	.005	1.361	.174	.001	.631	.528
<i>FOREIGN</i>	.106	2.740	.006	.306	5.873	.000	.161	2.575	.010	.207	6.690	.000
<i>LCONT</i>	-.002	-.790	.430	.002	.546	.585	-.004	-.944	.345	-.001	-.453	.650
<i>ARTWORK</i>	.008	.118	.906	.079	.894	.372	-.062	-.672	.502	.012	.242	.809
<i>BORROWING</i>	.043	.506	.613	-.045	-.269	.788	.161	1.361	.174	.047	.606	.544
<i>RESERVEACCTS</i>	.129	.894	.372	.204	.832	.405	-.118	-.561	.575	.091	.706	.480
<i>INHOUSE</i>	-.034	-.485	.628	.247	2.114	.035	.034	.288	.774	.097	1.614	.107
<i>DISPOSAL</i>	.297	9.502	.000	.360	9.985	.000	.351	9.236	.000	.375	17.703	.000
<i>LOSSES</i>	.140	3.131	.002	.356	6.345	.000	.247	4.493	.000	.270	8.541	.000
<i>OPINION</i>	-.045	-.690	.490	-.058	-.725	.469	.072	.919	.358	-.023	-.513	.608
<i>LAG</i>	.082	3.374	.001	-.007	-.180	.857				.062	3.106	.002
<i>LAF</i>	-.086	-3.641	.000	-.441	-14.138	.000	.045	1.159	.246	-.339	-18.283	.000
<i>AG</i>	-.049	-.174	.862	.742	4.441	.000	-.423	-11.615	.000	.383	2.545	.011
<i>RCA</i>	.054	.727	.468	.285	3.056	.002	-.056	-.575	.565	.113	2.104	.035
<i>CPA_ICAA_IPA</i>	.139	2.137	.033	.263	3.270	.001	-.075	-.974	.330	.127	2.810	.005
F-statistic		28.730	.000		38.169	.000		34.255	.000		91.905	.000
Adjusted R ²		.158			.165			.150			.150	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LAF* = natural log of audit fees paid.

Appendix BI.6: Non-audit services (NAS) fee estimation for professional body members for SMSFs sample excluding TAS, 2008-2010

	Panel A (2008 year n=3,105)			Panel B (2009 year n=3,944)			Panel C (2010 year n=3,763)			Panel D (All years n=10,812)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	.567	2.884	.004	1.492	5.343	.000	1.777	6.150	.000	1.342	8.812	.000
<i>LASSETS</i>	.208	14.709	.000	.293	13.660	.000	.284	13.070	.000	.265	23.464	.000
<i>PARTICIPANTS</i>	.034	1.970	.049	.043	1.774	.076	.006	.252	.801	.026	1.865	.062
<i>ROA</i>	-.897	-4.782	.000	-1.361	-3.846	.000	-2.042	-5.857	.000	-1.056	-6.639	.000
<i>LCASH</i>	-.010	-1.704	.089	-.015	-1.734	.083	-.007	-.760	.447	-.013	-2.784	.005
<i>LPROPERTY</i>	-.003	-1.394	.163	.000	.143	.887	.005	1.402	.161	.001	.750	.453
<i>LSHARES</i>	-.001	-.592	.554	.002	.610	.542	.001	.368	.713	-.001	-.384	.701
<i>FOREIGN</i>	.122	3.232	.001	.291	5.747	.000	.203	3.440	.001	.222	7.522	.000
<i>LCONT</i>	-.003	-.975	.330	.002	.640	.523	-.003	-.814	.416	-.001	-.441	.659
<i>ARTWORK</i>	-.001	-.018	.985	.063	.761	.447	-.055	-.608	.543	.005	.103	.918
<i>BORROWING</i>	.045	.576	.565	.045	.335	.737	.180	1.639	.101	.085	1.236	.217
<i>RESERVEACCTS</i>	.215	1.340	.180	.187	.819	.413	.121	.718	.473	.164	1.407	.160
<i>INHOUSE</i>	-.036	-.536	.592	.314	3.338	.001	.068	.611	.542	.125	2.320	.020
<i>DISPOSAL</i>	.286	9.633	.000	.361	10.506	.000	.342	9.369	.000	.365	18.084	.000
<i>LOSSES</i>	.146	3.380	.001	.360	6.778	.000	.223	4.222	.000	.261	8.615	.000
<i>OPINION</i>	-.042	-.673	.501	-.037	-.508	.612	.054	.691	.490	-.016	-.373	.709
<i>LAG</i>	.079	3.352	.001	-.005	-.146	.884				.054	2.810	.005
<i>LAF</i>	-.070	-2.993	.003	-.435	-14.538	.000	.024	.629	.529	-.328	-18.356	.000
<i>AG</i>	-.009	-.031	.975	.718	4.384	.000	-.417	-11.891	.000	.390	2.573	.010
<i>RCA</i>	.072	.981	.327	.230	2.558	.011	-.059	-.601	.548	.095	1.803	.072
<i>CPA_ICAA_IPA</i>	.176	2.841	.005	.260	3.452	.001	-.019	-.252	.801	.153	3.544	.000
F-statistic		28.964	.000		40.121	.000		35.241	.000		94.274	.000
Adjusted R ²		.153			.166			.147			.147	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LAF* = natural log of audit fees paid.

Appendix BI.7: Non-audit services (NAS) fee estimation for professional body members for SMSFs sample excluding VIC, 2008-2010

	Panel A (2008 year n=2,474)			Panel B (2009 year n=3,201)			Panel C (2010 year n=3,063)			Panel D (All years n=8,738)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	.564	2.534	.011	1.644	5.178	.000	1.763	5.284	.000	1.415	8.042	.000
<i>LASSETS</i>	.236	14.902	.000	.280	11.432	.000	.295	12.130	.000	.272	20.968	.000
<i>PARTICIPANTS</i>	.042	2.210	.027	.041	1.412	.158	.008	.272	.786	.027	1.718	.086
<i>ROA</i>	-.908	-4.138	.000	-1.225	-3.126	.002	-2.256	-5.812	.000	-1.049	-5.736	.000
<i>LCASH</i>	-.012	-1.945	.052	-.014	-1.388	.165	-.006	-.550	.582	-.014	-2.535	.011
<i>LPROPERTY</i>	-.005	-1.804	.071	.003	.677	.499	.008	1.885	.060	.003	1.273	.203
<i>LSHARES</i>	-.000	-.157	.875	.004	1.069	.285	.005	1.371	.171	.001	.693	.488
<i>FOREIGN</i>	.093	2.131	.033	.288	4.885	.000	.194	2.694	.007	.210	5.981	.000
<i>LCONT</i>	-.007	-2.173	.030	.002	.533	.594	-.008	-1.800	.072	-.003	-1.315	.189
<i>ARTWORK</i>	.007	.089	.929	.097	.944	.345	-.007	-.074	.941	.038	.677	.498
<i>BORROWING</i>	.052	.647	.518	-.032	-.162	.872	.198	1.730	.084	.082	1.034	.301
<i>RESERVEACCTS</i>	.141	.973	.330	.245	.813	.416	.285	1.716	.086	.263	2.160	.031
<i>INHOUSE</i>	-.075	-.947	.344	.185	1.542	.123	.112	.927	.354	.083	1.337	.181
<i>DISPOSAL</i>	.240	7.380	.000	.408	10.202	.000	.369	8.897	.000	.382	16.458	.000
<i>LOSSES</i>	.151	3.153	.002	.354	5.773	.000	.270	4.528	.000	.282	8.209	.000
<i>OPINION</i>	-.027	-.405	.685	-.082	-.925	.355	.076	.913	.361	-.020	-.406	.685
<i>LAG</i>	.075	2.730	.006	.000	.007	.994				.064	2.893	.004
<i>LAF</i>	-.119	-4.544	.000	-.460	-13.708	.000	.042	.985	.325	-.370	-18.327	.000
<i>AG</i>	.006	.020	.984	.663	2.764	.006	-.461	-11.553	.000	.362	1.821	.069
<i>RCA</i>	.109	1.211	.226	.338	3.084	.002	.010	.079	.937	.168	2.568	.010
<i>CPA_ICAA_IPA</i>	.214	2.829	.005	.349	3.800	.000	.069	.667	.505	.226	4.205	.000
F-statistic		24.498	.000		33.444	.000		33.457	.000		83.899	.000
Adjusted R ²		.160			.169			.168			.159	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LAF* = natural log of audit fees paid.

Appendix BI.8: Non-audit services (NAS) fee estimation for professional body members for SMSFs sample excluding WA, 2008-2010

	Panel A (2008 year n=2,689)			Panel B (2009 year n=3,329)			Panel C (2010 year n=3,177)			Panel D (All years n=9,195)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	.618	2.997	.003	1.457	4.847	.000	1.316	4.247	.000	1.166	7.135	.000
<i>LASSETS</i>	.175	11.602	.000	.257	11.220	.000	.255	11.127	.000	.233	19.238	.000
<i>PARTICIPANTS</i>	.040	2.168	.030	.025	.941	.347	.021	.744	.457	.026	1.756	.079
<i>ROA</i>	-.777	-3.944	.000	-1.045	-2.792	.005	-1.757	-4.699	.000	-.812	-4.806	.000
<i>LCASH</i>	-.015	-2.683	.007	-.015	-1.669	.095	-.014	-1.397	.163	-.017	-3.503	.001
<i>LPROPERTY</i>	.003	1.043	.297	.003	.881	.379	.008	2.017	.044	.005	2.611	.009
<i>LSHARES</i>	.000	.031	.976	.006	1.570	.116	.004	1.116	.265	.002	1.077	.282
<i>FOREIGN</i>	.176	4.430	.000	.362	6.728	.000	.274	4.450	.000	.283	9.129	.000
<i>LCONT</i>	.002	.753	.452	.006	1.307	.191	-.002	-.540	.590	.002	.944	.345
<i>ARTWORK</i>	.077	1.306	.192	.053	.544	.587	-.117	-1.088	.277	.003	.050	.960
<i>BORROWING</i>	.076	.921	.357	-.016	-.102	.919	.262	2.351	.019	.114	1.551	.121
<i>RESERVEACCTS</i>	.072	.533	.594	.188	.822	.411	.124	.644	.519	.147	1.242	.214
<i>INHOUSE</i>	-.014	-.192	.848	.268	2.468	.014	.066	.568	.570	.117	1.961	.050
<i>DISPOSAL</i>	.236	7.398	.000	.291	7.538	.000	.250	6.151	.000	.296	13.308	.000
<i>LOSSES</i>	.151	3.234	.001	.360	5.954	.000	.258	4.556	.000	.273	8.185	.000
<i>OPINION</i>	-.045	-.644	.519	-.035	-.458	.647	.031	.346	.729	-.030	-.643	.520
<i>LAG</i>	.016	.622	.534	.000	.010	.992				.045	2.114	.035
<i>LAF</i>	-.012	-.496	.620	-.373	-11.345	.000	.052	1.261	.208	-.246	-12.807	.000
<i>AG</i>	.014	.049	.961	.768	4.619	.000	-.300	-7.931	.000	.444	2.929	.003
<i>RCA</i>	.081	1.107	.268	.372	4.049	.000	.082	.748	.454	.201	3.578	.000
<i>CPA_ICAA_IPA</i>	.152	2.480	.013	.273	3.395	.001	.005	.056	.956	.162	3.352	.001
F-statistic		20.233	.000		25.970	.000		20.122	.000		58.774	.000
Adjusted R ²		.125			.130			.103			.112	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LAF* = natural log of audit fees paid.

**Appendix BJ: Audit fee estimation of industry leader premiums for SMSFs sample excluding observations with other services provided, 2008-10
(Dependent variable is log of audit fees)**

	<u>Panel A (2008 year n=22,852)</u>			<u>Panel B (2009 year n=29,205)</u>			<u>Panel C (2010 year n=34,500)</u>			<u>Panel D (All years n=86,557)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.442	80.385	.000	4.349	90.650	.000	4.321	95.501	.000	4.375	155.368	.000
<i>LASSETS</i>	.128	26.737	.000	.142	33.537	.000	.148	36.837	.000	.140	56.451	.000
<i>PARTICIPANTS</i>	.013	2.038	.042	.021	3.935	.000	.010	2.116	.034	.015	4.822	.000
<i>ROA</i>	-.090	-1.361	.174	-.730	-9.024	.000	-.578	-8.586	.000	-.511	-12.866	.000
<i>LCASH</i>	.001	.264	.792	.002	1.104	.270	-.001	-.363	.717	.001	.844	.399
<i>LPROPERTY</i>	.001	1.602	.109	.002	2.231	.026	.001	2.031	.042	.001	3.031	.002
<i>LSHARES</i>	.003	3.922	.000	.005	7.280	.000	.005	7.680	.000	.005	11.582	.000
<i>FOREIGN</i>	-.015	-.957	.338	.005	.420	.675	-.007	-.613	.540	-.006	-.721	.471
<i>LCONT</i>	.002	1.680	.093	.001	.951	.341	.000	.649	.516	.001	1.461	.144
<i>ARTWORK</i>	.118	4.178	.000	.099	3.866	.000	.104	4.285	.000	.107	7.146	.000
<i>BORROWING</i>	.025	.663	.508	-.064	-2.425	.015	-.102	-5.739	.000	-.063	-4.586	.000
<i>RESERVEACCTS</i>	.162	2.569	.010	.178	3.234	.001	.011	.365	.715	.098	3.707	.000
<i>INHOUSE</i>	.112	3.716	.000	.128	5.551	.000	.120	5.222	.000	.121	8.346	.000
<i>DISPOSAL</i>	.107	10.651	.000	.084	11.199	.000	.066	9.650	.000	.077	17.113	.000
<i>LOSSES</i>	.196	11.999	.000	.120	9.751	.000	.145	14.892	.000	.148	21.696	.000
<i>OPINION</i>	.087	4.094	.000	.119	6.373	.000	.065	3.825	.000	.088	8.048	.000
<i>LAG</i>	.065	8.060	.000	.068	9.150	.000	.072	10.624	.000	.062	14.610	.000
<i>LEADER_ALL</i>	-.183	-12.663	.000	-.281	-20.753	.000	-.263	-23.149	.000	-.249	-33.238	.000
F-statistic		116.882	.000		204.408	.000		242.976	.000		543.926	.000
Adjusted R ²		.079			.106			.107			.096	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LEADER_ALL* = 1 if top ten leading auditor.

**Appendix BK: Audit fee estimation of professional body premiums for SMSFs sample excluding observations with other services provided, 2008-10
(Dependent variable is log of audit fees)**

	Panel A (2008 year n=22,852)			Panel B (2009 year n=29,205)			Panel C (2010 year n=34,500)			Panel D (All years n=86,557)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	4.387	76.052	.000	4.160	84.600	.000	4.107	90.029	.000	4.196	145.473	.000
<i>LASSETS</i>	.127	26.393	.000	.139	32.702	.000	.142	35.598	.000	.137	55.096	.000
<i>PARTICIPANTS</i>	.014	2.165	.030	.023	4.293	.000	.012	2.425	.015	.017	5.289	.000
<i>ROA</i>	-.079	-1.187	.235	-.705	-8.757	.000	-.554	-8.348	.000	-.498	-12.605	.000
<i>LCASH</i>	.000	.124	.901	.001	.766	.444	-.001	-.579	.563	.000	.397	.691
<i>LPROPERTY</i>	.002	1.990	.047	.002	2.663	.008	.002	2.332	.020	.002	3.712	.000
<i>LSHARES</i>	.003	3.960	.000	.005	7.174	.000	.005	7.417	.000	.005	11.384	.000
<i>FOREIGN</i>	-.020	-1.324	.186	-.004	-.335	.738	-.015	-1.234	.217	-.014	-1.772	.076
<i>LCONT</i>	.002	1.760	.079	.001	1.250	.211	.001	.865	.387	.001	1.768	.077
<i>ARTWORK</i>	.123	4.341	.000	.106	4.195	.000	.116	4.769	.000	.115	7.737	.000
<i>BORROWING</i>	.027	.737	.461	-.070	-2.652	.008	-.098	-5.530	.000	-.063	-4.564	.000
<i>RESERVEACCTS</i>	.163	2.567	.010	.181	3.276	.001	.015	.472	.637	.100	3.789	.000
<i>INHOUSE</i>	.113	3.768	.000	.124	5.360	.000	.123	5.359	.000	.121	8.381	.000
<i>DISPOSAL</i>	.102	10.165	.000	.077	10.313	.000	.061	8.952	.000	.071	15.828	.000
<i>LOSSES</i>	.195	11.967	.000	.118	9.607	.000	.138	14.104	.000	.145	21.158	.000
<i>OPINION</i>	.091	4.259	.000	.122	6.477	.000	.060	3.503	.001	.088	8.079	.000
<i>LAG</i>	.064	7.900	.000	.062	8.306	.000				.058	13.641	.000
<i>AG</i>	.112	.901	.368	.289	3.684	.000	.069	10.109	.000	.282	4.289	.000
<i>RCA</i>	.126	5.862	.000	.305	17.147	.000	.341	22.586	.000	.285	27.908	.000
<i>CPA_ICAA_IPA</i>	.068	3.705	.000	.227	15.570	.000	.290	23.914	.000	.222	26.657	.000
F-statistic		100.325	.000		178.248	.000		241.540	.000		482.785	.000
Adjusted R ²		.076			.103			.112			.096	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

**Appendix BL: Audit quality estimation for industry leaders for SMSFs sample excluding observations with other services provided, 2008-10
(Dependent variable is breaches reported)**

	Panel A (2008 year n=22,852)			Panel B (2009 year n=29,205)			Panel C (2010 year n=34,500)			Panel D (All years n=86,557)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.835	-14.286	.000	-6.161	-17.042	.000	-6.829	-18.386	.000	-5.943	-28.653	.000
<i>LASSETS</i>	.230	8.155	.000	.345	11.510	.000	.380	12.626	.000	.315	18.470	.000
<i>PARTICIPANTS</i>	.099	2.778	.006	.112	3.159	.002	.126	3.405	.001	.110	5.264	.000
<i>ROA</i>	.612	1.422	.155	1.349	2.148	.032	1.698	3.352	.001	1.713	6.134	.000
<i>LCASH</i>	-.048	-4.787	.000	-.100	-10.656	.000	-.099	-10.441	.000	-.084	-15.236	.000
<i>LPROPERTY</i>	-.008	-1.559	.119	-.021	-3.850	.000	-.015	-2.908	.004	-.014	-4.607	.000
<i>LSHARES</i>	-.022	-4.649	.000	-.041	-8.229	.000	-.035	-7.407	.000	-.034	-12.193	.000
<i>FOREIGN</i>	-.351	-3.192	.001	-.286	-2.419	.016	-.444	-3.569	.000	-.351	-5.186	.000
<i>ARTWORK</i>	.324	2.194	.028	.150	.957	.339	.281	1.882	.060	.247	2.844	.005
<i>BORROWING</i>	.197	.966	.334	.322	1.990	.047	-.125	-.885	.376	.032	.347	.729
<i>INHOUSE</i>	2.144	22.828	.000	2.506	27.103	.000	2.598	30.242	.000	2.413	46.400	.000
<i>DISPOSAL</i>	-.438	-7.038	.000	-.469	-7.993	.000	-.529	-8.975	.000	-.443	-13.027	.000
<i>LOSSES</i>	.224	2.484	.013	.236	2.774	.006	.243	3.136	.002	.219	4.651	.000
<i>OPINION</i>	1.817	24.436	.000	2.126	28.287	.000	2.152	29.180	.000	2.044	47.822	.000
<i>LAG</i>	.033	.647	.518	.278	5.150	.000	.217	4.037	.000	.223	7.403	.000
<i>FEERESID</i>	.231	5.752	.000	.357	8.323	.000	.297	6.790	.000	.278	11.304	.000
<i>LEADER_ALL</i>	-.689	-4.664	.000	-.728	-5.011	.000	-.417	-3.436	.001	-.611	-7.775	.000
LR-statistic		1540.961	.000		2428.744	.000		2506.307	.000		6402.190	.000
McFadden R ²		.114			.170			.168			.149	
Total correctly predicted		83.04%			89.20%			91.48%			89.33%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 4.3, *OTHERSERVICES* = 1 if auditor provided other services, *LEADER_ALL* = 1 if top ten leading auditor.

Appendix BM: Audit quality estimation for professional body members for SMSFs sample excluding observations with other services provided, 2008-2010

(Dependent variable is breaches reported)

	Panel A (2008 year n=22,852)			Panel B (2009 year n=29,205)			Panel C (2010 year n=34,500)			Panel D (All years n=86,557)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.794	-14.038	.000	-6.265	-17.733	.000	-7.085	-19.561	.000	-6.097	-29.998	.000
<i>LASSETS</i>	.227	8.361	.000	.341	12.177	.000	.375	13.097	.000	.312	19.342	.000
<i>PARTICIPANTS</i>	.100	2.759	.006	.115	3.109	.002	.129	3.466	.001	.112	5.283	.000
<i>ROA</i>	.643	1.521	.128	1.379	2.419	.016	1.736	3.413	.001	1.740	6.360	.000
<i>LCASH</i>	-.049	-4.576	.000	-.101	-10.057	.000	-.101	-9.617	.000	-.086	-14.340	.000
<i>LPROPERTY</i>	-.007	-1.479	.139	-.020	-3.943	.000	-.015	-3.020	.003	-.013	-4.653	.000
<i>LSHARES</i>	-.022	-4.413	.000	-.040	-8.087	.000	-.036	-7.253	.000	-.034	-11.815	.000
<i>FOREIGN</i>	-.369	-3.372	.001	-.294	-2.500	.012	-.453	-3.579	.000	-.363	-5.366	.000
<i>ARTWORK</i>	.334	2.315	.021	.157	1.047	.295	.296	2.094	.036	.259	3.098	.002
<i>BORROWING</i>	.194	.922	.357	.310	1.955	.051	-.126	-.902	.367	.026	.279	.780
<i>INHOUSE</i>	2.152	22.007	.000	2.500	27.287	.000	2.604	30.022	.000	2.417	45.831	.000
<i>DISPOSAL</i>	-.452	-7.334	.000	-.483	-8.307	.000	-.539	-9.248	.000	-.455	-13.479	.000
<i>LOSSES</i>	.225	2.470	.014	.231	2.758	.006	.235	3.017	.003	.215	4.516	.000
<i>OPINION</i>	1.826	24.104	.000	2.125	28.574	.000	2.145	28.776	.000	2.043	47.369	.000
<i>LAG</i>	.031	.608	.543	.267	5.002	.000	.215	4.021	.000	.218	7.240	.000
<i>FEERESID</i>	.241	6.011	.000	.372	8.719	.000	.299	6.825	.000	.288	11.811	.000
<i>AG</i>	1.379	2.606	.009	1.239	2.836	.005				1.490	4.481	.000
<i>RCA</i>	.158	1.140	.255	.250	1.702	.089	.424	3.074	.002	.327	4.032	.000
<i>CPA_ICAA_CPA</i>	-.055	-.460	.646	.130	1.028	.304	.321	2.774	.006	.179	2.584	.010
LR-statistic		1532.626	.000		2416.454	.000		2504.925	.000		6377.414	.000
McFadden R ²		.113			.169			.168			.149	
Total correctly predicted		83.29%			89.29%			91.54%			89.40%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 4, *OTHERSERVICES* = 1 if auditor provided other services, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix BN: Total fee estimation for industry leaders for SMSFs sample, 2008-10
(Dependent variable is log of combined audit fees and management/administration expenses)

	Panel A (2008 year n=68,438)			Panel B (2009 year n=70,384)			Panel C (2010 year n=70,598)			Panel D (All years n=209,420)		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.616	-13.102	.000	-.703	-14.618	.000	-.837	-18.470	.000	-.713	-26.432	.000
<i>LASSETS</i>	.203	46.527	.000	.234	51.739	.000	.246	58.369	.000	.228	90.270	.000
<i>PARTICIPANTS</i>	.043	6.516	.000	.033	5.285	.000	.028	4.633	.000	.037	10.175	.000
<i>ROA</i>	.150	2.149	.032	-.908	-9.655	.000	-.728	-9.380	.000	-.536	-12.063	.000
<i>LCASH</i>	.015	7.090	.000	.014	6.450	.000	.014	6.680	.000	.015	12.365	.000
<i>LPROPERTY</i>	.015	16.023	.000	.012	13.211	.000	.010	11.915	.000	.012	23.456	.000
<i>LSHARES</i>	.010	10.370	.000	.017	18.761	.000	.014	17.286	.000	.014	28.061	.000
<i>FOREIGN</i>	.141	8.718	.000	.125	8.129	.000	.092	6.720	.000	.120	13.654	.000
<i>LCONT</i>	.001	1.073	.283	.001	.935	.350	.007	7.083	.000	.002	3.869	.000
<i>ARTWORK</i>	.015	.529	.597	-.021	-.736	.462	-.056	-2.138	.033	-.017	-1.055	.291
<i>BORROWING</i>	-.123	-2.895	.004	-.029	-.939	.348	-.122	-5.059	.000	-.066	-3.752	.000
<i>RESERVEACCTS</i>	.003	.043	.966	-.149	-2.470	.014	-.012	-.259	.796	-.038	-1.198	.231
<i>INHOUSE</i>	.066	2.379	.017	.068	2.526	.012	.083	3.198	.001	.072	4.608	.000
<i>DISPOSAL</i>	.550	50.214	.000	.399	43.199	.000	.377	44.111	.000	.428	78.084	.000
<i>LOSSES</i>	.520	33.705	.000	.440	31.958	.000	.484	41.887	.000	.487	63.558	.000
<i>OPINION</i>	-.098	-4.897	.000	-.068	-3.348	.001	-.093	-4.526	.000	-.094	-7.990	.000
<i>LAG</i>	-.011	-1.287	.198	-.110	-12.528	.000	-.020	-2.452	.014	-.065	-13.163	.000
<i>LEADER_ALL</i>	.132	6.520	.000	.057	3.174	.002	.137	9.102	.000	.115	11.318	.000
F-statistic		717.819	.000		728.225	.000		856.300	.000		2235.965	.000
Adjusted R ²		.151			.149			.171			.154	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LEADER_ALL* = 1 if top ten leading auditor.

**Appendix BO: Total fee estimation of professional body premiums for SMSFs sample, 2008-10
(Dependent variable is combined audit fees and management/administration expenses)**

	<u>Panel A (2008 year n=68,438)</u>			<u>Panel B (2009 year n=70,384)</u>			<u>Panel C (2010 year n=70,598)</u>			<u>Panel D (All years n=209,420)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	-.677	-13.325	.000	-.774	-15.241	.000	-.913	-19.369	.000	-.777	-27.263	.000
<i>LASSETS</i>	.203	46.503	.000	.233	51.518	.000	.245	58.125	.000	.227	90.029	.000
<i>PARTICIPANTS</i>	.043	6.559	.000	.034	5.342	.000	.028	4.669	.000	.038	10.259	.000
<i>ROA</i>	.140	2.004	.045	-.905	-9.641	.000	-.731	-9.422	.000	-.544	-12.246	.000
<i>LCASH</i>	.015	7.175	.000	.014	6.476	.000	.014	6.585	.000	.015	12.419	.000
<i>LPROPERTY</i>	.015	15.808	.000	.011	13.113	.000	.009	11.558	.000	.012	23.085	.000
<i>LSHARES</i>	.010	10.451	.000	.016	18.709	.000	.014	17.219	.000	.014	28.065	.000
<i>FOREIGN</i>	.142	8.773	.000	.124	8.071	.000	.092	6.677	.000	.120	13.644	.000
<i>LCONT</i>	.001	.898	.369	.001	.820	.412	.007	6.916	.000	.002	3.577	.000
<i>ARTWORK</i>	.013	.439	.661	-.022	-.774	.439	-.059	-2.265	.024	-.019	-1.202	.229
<i>BORROWING</i>	-.125	-2.930	.003	-.028	-.902	.367	-.120	-4.960	.000	-.064	-3.664	.000
<i>RESERVEACCTS</i>	.010	.162	.872	-.152	-2.525	.012	-.009	-.207	.836	-.036	-1.144	.252
<i>INHOUSE</i>	.064	2.299	.022	.066	2.453	.014	.077	2.986	.003	.069	4.424	.000
<i>DISPOSAL</i>	.552	50.456	.000	.401	43.511	.000	.382	44.701	.000	.431	78.748	.000
<i>LOSSES</i>	.520	33.661	.000	.440	31.945	.000	.482	41.753	.000	.486	63.472	.000
<i>OPINION</i>	-.098	-4.908	.000	-.068	-3.331	.001	-.093	-4.487	.000	-.094	-7.978	.000
<i>LAG</i>	-.012	-1.366	.172	-.111	-12.625	.000				-.067	-13.413	.000
<i>AG</i>	.032	.283	.777	.020	.224	.822	-.022	-2.662	.008	-.015	-.220	.826
<i>RCA</i>	.121	4.736	.000	.122	5.233	.000	.157	7.715	.000	.130	9.839	.000
<i>CPA_ICAA_IPA</i>	.068	3.177	.002	.088	4.607	.000	.102	6.194	.000	.079	7.317	.000
F-statistic		641.300	.000		652.850	.000		808.364	.000		1999.874	.000
Adjusted R ²		.151			.150			.171			.154	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

Appendix BP: Correlation matrix
Pairwise Pearson correlation coefficients of control variables

	<i>LASSETS</i>	<i>P'PANTS</i>	<i>ROA</i>	<i>LCASH</i>	<i>LPROP</i>	<i>LSHARES</i>	<i>FOREIGN</i>	<i>LCONT</i>	<i>ART WORK</i>	<i>BORROW</i>	<i>RSRV ACCTS</i>	<i>IN HOUSE</i>	<i>DISPOSAL</i>	<i>LOSSES</i>	<i>OPIN</i>	<i>LAG</i>	<i>OTHER SERV</i>
<i>LASSETS</i>	1.000																
<i>P'PANTS</i>	0.140	1.000															
<i>ROA</i>	0.303	0.031	1.000														
<i>LCASH</i>	0.460	0.087	0.143	1.000													
<i>LPROP</i>	0.298	0.101	0.031	0.066	1.000												
<i>LSHARES</i>	0.311	0.019	0.182	0.052	-0.098	1.000											
<i>FOREIGN</i>	0.096	0.011	0.011	0.023	-0.010	0.147	1.000										
<i>LCONT</i>	0.269	0.158	0.072	0.226	0.091	0.104	0.024	1.000									
<i>ART WORK</i>	0.026	0.002	-0.002	-0.012	0.015	0.040	0.004	0.023	1.000								
<i>BORROW</i>	0.038	0.012	-0.037	-0.031	0.085	-0.032	0.002	0.020	0.000	1.000							
<i>RESERVE ACCTS</i>	0.035	0.014	0.010	0.017	0.013	0.011	0.002	0.023	0.008	0.006	1.000						
<i>INHOUSE</i>	0.017	0.028	0.006	-0.036	0.028	-0.022	-0.003	-0.018	0.057	0.005	-0.001	1.000					
<i>DISPOSAL</i>	0.254	0.020	0.272	0.028	-0.097	0.470	0.134	0.075	0.023	-0.010	0.006	-0.015	1.000				
<i>LOSSES</i>	-0.369	-0.044	-0.487	-0.241	-0.052	-0.191	-0.017	-0.099	0.021	0.078	-0.013	0.011	-0.181	1.000			
<i>OPINION</i>	-0.050	0.003	-0.017	-0.069	0.010	-0.053	-0.010	-0.047	0.016	0.016	0.005	0.247	-0.041	0.039	1.000		
<i>LAG</i>	-0.024	0.015	0.018	-0.064	0.024	0.001	0.021	-0.027	0.029	0.012	0.004	0.070	0.018	0.034	0.091	1.000	
<i>OTHER SERV</i>	-0.019	-0.014	0.003	-0.007	-0.005	-0.022	-0.026	-0.011	0.024	-0.009	-0.005	0.004	-0.037	0.000	0.016	-0.013	1.000

LASSETS = natural log of total assets, *P'PANTS* = number of members/participants, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROP* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ART WORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROW* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *OTHER SERV* = 1 if auditor provided other services.

**Appendix BQ: Audit quality estimation for industry leaders for Australian SMSFs sample, 2008-2010
(Dependent variable is breaches reported)**

	<u>Panel A (2008 year n=27,075)</u>			<u>Panel B (2009 year n=33,765)</u>			<u>Panel C (2010 year n=38,828)</u>			<u>Panel D (All years n=99,668)</u>		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.611	-15.266	.000	-6.050	-18.505	.000	-6.657	-19.291	.000	-5.744	-30.532	.000
<i>LASSETS</i>	.224	8.908	.000	.345	12.626	.000	.361	12.840	.000	.304	19.559	.000
<i>PARTICIPANTS</i>	.062	1.926	.054	.101	3.104	.002	.125	3.639	.000	.093	4.846	.000
<i>ROA</i>	.723	1.858	.063	1.088	1.984	.047	1.746	3.707	.000	1.706	6.735	.000
<i>LCASH</i>	-.055	-6.131	.000	-.106	-12.368	.000	-.094	-10.390	.000	-.086	-16.989	.000
<i>LPROPERTY</i>	-.010	-2.119	.034	-.021	-4.214	.000	-.016	-3.236	.001	-.015	-5.292	.000
<i>LSHARES</i>	-.020	-4.553	.000	-.040	-8.888	.000	-.036	-8.183	.000	-.033	-13.035	.000
<i>FOREIGN</i>	-.354	-3.513	.000	-.294	-2.677	.007	-.406	-3.503	.001	-.342	-5.481	.000
<i>ARTWORK</i>	.297	2.327	.020	.149	1.090	.276	.242	1.769	.077	.230	2.990	.003
<i>BORROWING</i>	.255	1.430	.153	.337	2.287	.022	-.105	-.798	.425	.062	.730	.465
<i>INHOUSE</i>	2.137	25.253	.000	2.451	28.625	.000	2.607	32.438	.000	2.393	49.951	.000
<i>DISPOSAL</i>	-.458	-8.260	.000	-.469	-8.810	.000	-.494	-9.045	.000	-.435	-14.092	.000
<i>LOSSES</i>	.222	2.753	.006	.238	3.115	.002	.254	3.543	.000	.225	5.258	.000
<i>OPINION</i>	1.796	26.306	.000	2.103	31.091	.000	2.175	32.067	.000	2.031	52.112	.000
<i>LAG</i>	.001	.020	.984	.270	5.541	.000	.237	4.771	.000	.213	7.774	.000
<i>FEERESID</i>	.186	5.351	.000	.289	7.588	.000	.242	6.188	.000	.224	10.316	.000
<i>OTHERSERVICES</i>	.330	5.732	.000	.325	5.146	.000	.237	3.439	.001	.341	9.453	.000
<i>LEADER_ALL</i>	-.823	-5.696	.000	-.837	-5.906	.000	-.536	-4.451	.000	-.740	-9.589	.000
LR-statistic		1860.571	.000		2903.534	.000		2960.025	.000		7636.448	.000
McFadden R ²		.111			.169			.171			.148	
Total correctly predicted		79.53%			87.98%			91.20%			88.01%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 3, *OTHERSERVICES* = 1 if auditor provided other services, *LEADER_ALL* = 1 if top ten leading auditor.

**Appendix BR: Audit quality estimation of professional body members for Australian SMSFs sample, 2008-2010
(Dependent variable is breaches reported)**

	Panel A (2008 year n=27,075)			Panel B (2009 year n=33,765)			Panel C (2010 year n=38,828)			Panel D (All years n=99,668)		
	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)	Coefficient	z-statistic	Probability (two-tail)
Intercept	-4.464	-14.786	.000	-6.107	-19.125	.000	-6.813	-20.447	.000	-5.806	-31.707	.000
<i>LASSETS</i>	.222	9.175	.000	.342	13.420	.000	.357	13.455	.000	.302	20.623	.000
<i>PARTICIPANTS</i>	.064	1.959	.050	.103	3.091	.002	.128	3.709	.000	.095	4.913	.000
<i>ROA</i>	.767	2.054	.040	1.138	2.231	.026	1.794	3.822	.000	1.757	7.146	.000
<i>LCASH</i>	-.056	-5.924	.000	-.107	-11.821	.000	-.094	-9.658	.000	-.087	-16.177	.000
<i>LPROPERTY</i>	-.009	-1.975	.048	-.020	-4.289	.000	-.015	-3.301	.001	-.014	-5.256	.000
<i>LSHARES</i>	-.019	-4.320	.000	-.040	-8.744	.000	-.036	-8.010	.000	-.033	-12.636	.000
<i>FOREIGN</i>	-.364	-3.646	.000	-.299	-2.725	.006	-.412	-3.510	.000	-.350	-5.598	.000
<i>ARTWORK</i>	.308	2.482	.013	.161	1.226	.220	.258	1.965	.049	.244	3.294	.001
<i>BORROWING</i>	.263	1.442	.149	.326	2.223	.026	-.109	-.837	.402	.056	.663	.507
<i>INHOUSE</i>	2.146	24.300	.000	2.448	28.776	.000	2.619	32.318	.000	2.400	49.212	.000
<i>DISPOSAL</i>	-.475	-8.653	.000	-.487	-9.259	.000	-.510	-9.463	.000	-.453	-14.776	.000
<i>LOSSES</i>	.224	2.789	.005	.235	3.111	.002	.249	3.456	.001	.223	5.190	.000
<i>OPINION</i>	1.805	26.001	.000	2.105	31.364	.000	2.164	31.729	.000	2.030	51.693	.000
<i>LAG</i>	-.005	-.121	.904	.262	5.415	.000	.236	4.761	.000	.208	7.613	.000
<i>FEERESID</i>	.203	5.841	.000	.311	8.269	.000	.255	6.473	.000	.242	11.283	.000
<i>OTHERSERVICES</i>	.336	5.908	.000	.330	5.334	.000	.238	3.480	.001	.344	9.695	.000
<i>AG</i>	.613	1.241	.215	.984	2.490	.013				1.037	3.407	.001
<i>RCA</i>	.017	.143	.886	.098	.742	.458	.249	1.961	.050	.164	2.249	.025
<i>CPA_ICAA_CPA</i>	-.163	-1.580	.114	.068	.611	.541	.202	1.938	.053	.073	1.202	.229
LR-statistic		1836.574	.000		2877.898	.000		2946.414	.000		7563.273	.000
McFadden R ²		.110			.167			.170			.147	
Total correctly predicted		79.91%			88.04%			91.24%			88.13%	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *FEERESID* = error term from audit fee model in primary results in Table 4, *OTHERSERVICES* = 1 if auditor provided other services *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.

**Appendix BS: Non-audit services (NAS) fee estimation for industry leaders for Australian SMSFs sample, 2008-2010
(Dependent variable is log of non-audit fees)**

	<u>Panel A (2008 year n=3,154)</u>			<u>Panel B (2009 year n=4,013)</u>			<u>Panel C (2010 year n=3,849)</u>			<u>Panel D (All years n=11,016)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	.631	3.339	.001	1.579	5.841	.000	1.532	5.584	.000	1.319	8.984	.000
<i>LASSETS</i>	.190	13.692	.000	.274	12.941	.000	.260	12.596	.000	.245	22.115	.000
<i>PARTICIPANTS</i>	.037	2.247	.025	.030	1.207	.228	.015	.607	.544	.024	1.728	.084
<i>ROA</i>	-.784	-4.249	.000	-1.087	-3.138	.002	-1.684	-4.965	.000	-.788	-5.055	.000
<i>LCASH</i>	-.014	-2.566	.010	-.019	-2.237	.025	-.011	-1.234	.217	-.017	-3.737	.000
<i>LPROPERTY</i>	-.000	-.080	.936	.003	.883	.377	.009	2.382	.017	.005	2.389	.017
<i>LSHARES</i>	-.000	-.143	.886	.004	1.132	.258	.003	1.020	.308	.001	.577	.564
<i>FOREIGN</i>	.173	4.605	.000	.351	6.991	.000	.267	4.524	.000	.280	9.471	.000
<i>LCONT</i>	.001	.399	.690	.004	1.206	.228	-.001	-.237	.812	.002	.915	.360
<i>ARTWORK</i>	.026	.393	.694	.046	.528	.597	-.036	-.385	.700	.013	.266	.790
<i>BORROWING</i>	.093	1.233	.218	-.023	-.150	.881	.231	2.182	.029	.103	1.463	.144
<i>RESERVEACCTS</i>	.142	.992	.321	.272	1.258	.209	.180	1.050	.294	.204	1.835	.067
<i>INHOUSE</i>	-.016	-.247	.805	.257	2.438	.015	.102	.931	.352	.125	2.246	.025
<i>DISPOSAL</i>	.237	8.001	.000	.296	8.492	.000	.272	7.366	.000	.304	14.914	.000
<i>LOSSES</i>	.152	3.607	.000	.353	6.553	.000	.238	4.612	.000	.266	8.856	.000
<i>OPINION</i>	.012	-.197	.844	-.017	-.226	.821	.029	.383	.702	-.008	-.191	.848
<i>LAG</i>	.016	.662	.508	-.002	-.063	.950	.051	1.366	.172	.047	2.487	.013
<i>LAF</i>	-.019	-.818	.414	-.373	-12.272	.000	-.345	-9.914	.000	-.267	-14.927	.000
<i>LEADER_ALL</i>	.739	21.938	.000	.657	21.109	.000	.721	20.524	.000	.700	38.272	.000
F-statistic		43.932	.000		47.927	.000		44.197	.000		123.483	.000
Adjusted R ²		.197			.174			.168			.167	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LAF* = natural log of audit fees paid, *LEADER_ALL* = 1 if top ten leading auditor.

**Appendix BT: Non-audit services (NAS) fee estimation for professional body members for Australian SMSFs sample, 2008-2010
(Dependent variable is log of non-audit fees)**

	<u>Panel A (2008 year n=3,154)</u>			<u>Panel B (2009 year n=4,013)</u>			<u>Panel C (2010 year n=3,849)</u>			<u>Panel D (All years n=11,016)</u>		
	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)	Coefficient	t-statistic	Probability (two-tail)
Intercept	.551	2.798	.005	1.503	5.418	.000	1.740	6.081	.000	1.326	8.735	.000
<i>LASSETS</i>	.209	14.864	.000	.289	13.546	.000	.280	13.024	.000	.263	23.271	.000
<i>PARTICIPANTS</i>	.036	2.079	.038	.034	1.378	.168	.010	.391	.696	.024	1.745	.081
<i>ROA</i>	-.904	-4.847	.000	-1.327	-3.802	.000	-2.079	-6.017	.000	-1.042	-6.611	.000
<i>LCASH</i>	-.011	-2.024	.043	-.017	1.931	.054	-.009	-.962	.336	-.015	-3.176	.002
<i>LPROPERTY</i>	-.003	-1.309	.191	.001	.253	.800	.006	1.697	.090	.002	1.058	.290
<i>LSHARES</i>	-.001	-.390	.697	.004	1.073	.284	.004	1.133	.257	.001	.511	.609
<i>FOREIGN</i>	.122	3.247	.001	.305	6.086	.000	.195	3.318	.001	.223	7.553	.000
<i>LCONT</i>	-.002	-.773	.440	.003	.700	.484	-.003	-.908	.364	-.001	-.360	.719
<i>ARTWORK</i>	.005	.076	.939	.039	.452	.651	-.078	-.841	.400	-.009	-.174	.862
<i>BORROWING</i>	.052	.687	.492	-.033	-.209	.835	.193	1.800	.072	.074	1.041	.298
<i>RESERVEACCTS</i>	.130	.909	.363	.230	1.031	.303	.141	.831	.406	.179	1.600	.110
<i>INHOUSE</i>	-.038	-.570	.568	.255	2.395	.017	.055	.488	.625	.102	1.808	.071
<i>DISPOSAL</i>	.283	9.561	.000	.353	10.226	.000	.348	9.555	.000	.365	18.018	.000
<i>LOSSES</i>	.149	3.493	.001	.349	6.482	.000	.237	4.512	.000	.265	8.740	.000
<i>OPINION</i>	-.032	-.525	.600	-.056	-.739	.460	.070	.912	.362	-.018	-.415	.678
<i>LAG</i>	.079	3.334	.001	-.005	-.152	.879	.033	.873	.383	.057	2.975	.003
<i>LAF</i>	-.067	-2.856	.004	-.430	-14.328	.000	-.408	-11.806	.000	-.323	-18.149	.000
<i>AG</i>	-.017	-.060	.952	.728	4.379	.000				.401	2.648	.008
<i>RCA</i>	.062	.861	.389	.268	3.014	.003	-.016	-.164	.867	.121	2.327	.020
<i>CPA_ICAA_IPA</i>	.163	2.684	.007	.271	3.606	.000	-.014	-.187	.852	.156	3.618	.000
F-statistic		28.992	.000		39.166	.000		35.265	.000		93.534	.000
Adjusted R ²		.151			.160			.145			.144	

LASSETS = natural log of total assets, *PARTICIPANTS* = number of members, *ROA* = ratio of earnings before contributions, insurance premiums and tax to total assets adjusted for average contributions received, *LCASH* = natural log of cash, *LPROPERTY* = natural log of property investments, *LSHARES* = natural log of share investments, *FOREIGN* = proportion of total assets that invested overseas, *LCONT* = natural log of total concessional contributions received, *ARTWORK* = 1 if investment in artwork, collectables, metals or jewels, *BORROWING* = 1 if borrowed, *RESERVEACCTS* = 1 if reserve accounts, *INHOUSE* = 1 if in-house assets, *DISPOSAL* = 1 if disposal of an asset which has resulted in a CGT event, *LOSSES* = 1 if loss incurred after grossing up of net capital gains, adding back contributions and franking credits received and insurance premiums made, *OPINION* = 1 if qualified audit opinion, *LAG* = 1 if audit completed after the lodgement due date, *LAF* = natural log of audit fees paid, *AG* = 1 if auditor is the Auditor-General (or delegate) of the Commonwealth, a state or territory, *RCA* = 1 if auditor is a registered company auditor, *CPA_ICAA_IPA* = 1 if auditor is a member of a professional body which complies with auditing and ethical standards.