

Secretary  
Joint Committee on Corporations

Re:  
Superannuation Industry Inquiry

This is a group set up independent of super funds, fund managers, and financial planners to represent the interests of those who are members of SMSFs.

Permit us to make a number of observations:

Term of reference 1.

Presumably this was not meant to apply to the trustee of an SMSF.

Term of reference 2

An SMSF trustee at present may be a private company. There is no need for it to be a public one with the extra costs and obligations that entails.

Term of reference 7

SMSF's have grown because they allow flexibility of payments and the facility for trustees to make their own investment choices, assisted if needed by a competent adviser. A possible downside is the ability to adequately administer them as a trustee or the director of a trustee grows older (say into their eighties). However children for example can become members and gradually take over the administration. The present restriction prevents more than three children participating unfortunately.

Term of reference 9

The cost of compliance for an SMSF could be reduced. The essential details to determine compliance are or could be contained within the tax return prepared for the SMSF by a qualified accountant/tax agent, provide full details of the fund holdings are attached (these tend to use widely available common software). There is no need to impose the present cost of an audit every year.

It would be helpful if SMSF's were handled by the superannuation and not the small business section of the ATO.

Term of reference 10

ASIC reportedly only spends one third of its funding on policing those who provide investments for, inter alia, superannuation funds. It needs to be able spend more on compliance checks – it is not a taxation vehicle. It should, for example, audit the degree of care with which wrap funds, which hold shares and funds beneficially for clients, keep their records.

Term of reference 15

End the triggering of a capital gains event when non-cash assets are contributed in specie to an SMSF.

**Self Managed Super Fund Members Group, Perth**