

Submission to Government: Review of the Retirement Income System

Minister

I am a self funded retiree with a CSS (now ARIA) indexed pension and a self managed superannuation fund (SMSF) originally set up for my late wife.

The SMSF was chosen because of the ridiculously high fees then (and now) charged by the large non-industry super fund operators.

I fully accept that the Australian Tax Office (ATO) has a responsibility to ensure that the legislated SMSF rules, particularly the 'sole purpose clause', are enforced. However, as a regular subscriber to the 'Australian Financial Review', I am disappointed to read repeatedly that the ATO is about to fall on SMSFs like "a ton of bricks" for (minor?) trustee errors. Are SMSFs really that miscreant?

Further, the ATO approach has apparently emboldened the non-industry super fund operators to push for ridiculously rigid rules, particularly training, for SMSFs and their trustees. Of course, one of the very laudable aims of such operators is to assist the hapless (?) ATO to enforce the SMSF rules. Such 'pro bono' activity is to be welcomed or is it? Get real, it is simply blatant self interest!

How dare an SMSF trustee like me deprive these operators of their ridiculously high fees, particularly as 'under performance' is the rule and the rewards for fund 'under performance' appear to be about the same as for the seemingly rare 'out performance'!

With best wishes

Denis Daly