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**MEDIA RELEASE  
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**Investors call for control over their investments**

The Australian Investors Association (AIA) has called on the Cooper Inquiry into Governance, Efficiency, Structure and Operation of Australia's Superannuation System to ensure that there is no reduction in control for trustees of Self-Managed Superannuation Funds (SMSF) and no increased government control in any form.

"SMSFs are SELF-managed," said Jolyon Forsyth, President of the AIA. "There should be no change to the current practices in relation to investment independence and to the minor limitations placed on trustees. There should be no introduction of a requirement that a proportion of each fund be invested in government-controlled lifetime annuity funds or other government controlled investments."

The AIA, which represents 2,000 members, has argued for:

- No government prescribed educational requirements of trustees
- No government-prescribed asset allocation impositions
- No proscription against any specific assets such as derivatives, collectibles; and
- No government regulated lifetime annuities.

"86 percent of member trustees report that having greater control over their investments was one of the reasons for setting up a SMSF and 46 percent said it was the main reason," said Mr Forsyth.

'As our life expectancy continues to increase, we need to provide for our own longer retirements. This is a time for encouraging even more growth in the SMSF industry," he said.

That doesn't mean the system can't be improved and the AIA has argued for simplification and improved efficiency for the trustee and the regulator.

“Most members work comfortably most of the time within the trust structure,” Mr Forsyth said. “The AIA supports the continuation of the trust structure but it needs to be simplified.”

The AIA recommends the inclusion of a model Trust Deed in the regulations supported by templates for the various forms that are required for administration. Both could be made available on-line and revised as necessary. The same arrangement could be extended to a model constitution and forms for a corporate trustee for SMSFs.

“The provision of a model deed and forms for the operation of SMSFs would reduce costs and improve compliance,” Mr Forsyth said. “It would also allow the regulator to focus on more significant problems.”

The AIA also supports strengthening of independent audits of funds to become the main method of supervision with a sliding scale of penalties for non-compliance.

The current contribution rules disadvantage many Australians and are not in tune with modern lifestyles.

“The contribution rules need to be amended and simplified to take account of the changing circumstances of Australians. The current arrangements disadvantage non-working Australians, small-business owners and those people who start contributing late in their working lives,” Mr Forsyth said. “Self-funded retirements lessen the burden on government and society, and changes need to be made to encourage people to save for retirement.”

The AIA offers regular workshops and discussions about superannuation in general and SMSF administration in particular. Trustees need to acquire significant knowledge in the course of establishing a SMSF but the AIA does not support a mandated minimum education requirement but would welcome the provision of an on-line training program.

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