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**MEDIA RELEASE  
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**AIA welcomes changes to SMSFs**

The Australian Investors Association (AIA) welcomed the preliminary recommendations on self-managed superannuation funds (SMSFs) released by Review Chair, Jeremy Cooper.

‘There will be no reduction in control for trustees of Self-Managed Superannuation Funds (SMSF) and no increased government control in any form,’ said Jolyon Forsyth, President of the AIA.

‘Self-managed super funds will remain SELF-managed,’ he added. ‘These recommendations recognise that SMSFs are an important vehicle for building retirement savings.’

“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.

A key preliminary recommendation is the prohibition on the investment in collectables and personal-use assets such as artworks, wine collections, exotic cars and yachts). This change is expected to affect only a small proportion of SMSFs.

‘The banning of these asset classes will mean that there will be less chance of inadvertent misconduct by trustees,’ said Mr Forsyth in support of this recommendation.

Under the new arrangements the competence and independence of approved auditors will be strengthened. The AIA had argued for the increased independence of auditors in its submission to the Review.

'I hear many stories about auditors who don't appear to be independent or don't take their compliance role seriously. SMSF auditors should not undertake any other functions for the SMSF and would benefit from specialist training and a registration process similar to company auditors,' said Mr Forsyth.

The AIA also welcomed the provision of an online SMSF resource centre to assist trustees which it recommended to the Review.

The AIA believes that the Review could have gone further in some areas. The AIA will maintain its support for a requirement to have a written investment strategy.

'Every SMSF is required by law to have an investment strategy and an auditor is required to ensure compliance with that strategy. It's simpler and efficient for all if the strategy is in writing,' said Mr Forsyth.

The AIA is a not for profit organisation dedicated to investment education and has argued to maintain investment independence for SMSFs and to keep the management of SMSFs in the hands of trustees.

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