

Regarding the Review of Retirement Income System - Mandatory SMSF Courses.

I understand that some groups representing the Industry and Retail Superannuation Sector have made a submission to the Review Committee proposing, amongst other things, that mandatory training courses should be required of Self Managed Super Fund Trustees. I wish to express a strong objection to this proposal.

One can only view with the utmost scepticism the motives of an industry-group who are advocating that additional financial and time imposts be imposed on citizens who have chosen not to become their clients. If adopted this proposal would entail two levels of additional costs for SMSF trustees; the cost of the mandatory courses themselves and the inevitable passing-on to Trustees of the necessary extra expenditure by regulatory bodies to ensure compliance with the new mandatory program. One can only imagine that with courses provided on a strictly user-pay basis, this burden would fall unfairly heavily on trustees living in regional and rural areas.

The proposal seems to be founded on several incorrect, and somewhat arrogant, assumptions.

- It ignores the basic motive that would have encouraged investors to establish their SMSF— that they have enough confidence in their own knowledge and ability to have embarked on that course in the first place.
- It is based on the unproven assumption that the Industry and Retail Superannuation sector is better able to manage the retirement savings of those Australians who currently opt to establish their own SMSF's. It is highly questionable to imply that SMSF trustees are less capable of making investment decisions about how to invest their own savings, and/or to properly administer their fund, than they are. I strongly suspect that when/if a direct comparison is made, after the end of this FY for example, the proponents of mandatory courses will have little or nothing to support such an allegation.
- The proposal is based on the false premise that SMSF trustees do not currently utilise the services of industry professionals to assist with administrative and compliance responsibilities. The qualifications and experience of these professionals are at least as good as their counterparts in the Industry and Retail sector. For retiree-investors they have the added impressive advantage of being much more directly accountable and responsive to the wishes of their clients than are those in the industry sector.
- SMSF's are already required to comply with procedural and audit rules which carry out their role satisfactorily. The Industry and Retail sector should be made to substantiate their proposal as being a necessary improvement to the current regime, not merely allege that what they propose will be an improvement.

I believe that the proposal in question has no objective other than to serve the commercial interests of the Industry and Retail Superannuation sector by punishing investors who have made a carefully considered decision to exercise control over their savings by adopting a rival alternative. Were the Review Committee to accept it, unnecessary layers of additional cost and supervision responsibilities would be added to a process that is already well regulated.

I urge the Review Committee to reject this proposal.

Clive Rumney,