



28 September 2017

Committee Secretary
Senate Economics Legislation Committee
PO Box 6100
Parliament House
Canberra ACT 2600

economics.sen@aph.gov.au

Submission: Treasury Laws Amendment (Improving Accountability and Member Outcomes in Superannuation Measures No. 2) Bill 2017

We thank the Senate Economics Legislation Committee on the opportunity to make a submission on the Bill.

About Dixon Advisory

Dixon Advisory assists more than 20,000 families with their superannuation decisions including over 8,000 SMSF trustees, with a combined asset base of \$6 billion for which Dixon Advisory provides a complete administration service. Dixon Advisory estimates that this makes it the fourth largest administrator in the \$670 billion SMSF market. Dixon Advisory employs more than 350 people in its 5 offices: Sydney, Melbourne, Canberra, Brisbane and New York (USA).

SMSF's are an important sector in the superannuation industry. In the five years to 2014-15 the number of SMSFs increased by 27 per cent to 557,000¹, with total assets worth \$590 billion. The latest ATO SMSF statistical report for March 2017, outlined that the total value of SMSF assets is \$674.7 billion², with the member base of SMSFs totaling over 1.1 million members³.

Choice of fund for workplace determinations and enterprise agreements

Policies that promote greater consumer engagement and choice with superannuation lead to better consumer outcomes and greater competitiveness and efficiency within the superannuation system. The Bill also addresses a number of other issues that are relevant in the current super environment, including:

- a) Allowing individuals to choose their funds will reduce duplicity of accounts, especially for individuals who change jobs on a regular basis.
- b) Reduction in the duplication of insurance and administration fees from having multiple accounts.

¹ Australian Taxation Office, 2015, 'ATO releases latest SMSF statistics', viewed on 14 September 2017

<<https://www.ato.gov.au/media-centre/media-releases/ato-releases-latest-smsf-statistics/>>

² ATO, SMSF statistical report- March 2017, viewed 14 September 2017 <<https://www.ato.gov.au/Super/Self-managed-super-funds/In-detail/News/SMSF-statistical-report---March-2017/>>

³ Above n2.

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- c) Providing sufficient flexibility for individuals to keep their superannuation consolidated will make it easier for them to track balances and ensure compliance against rules like the total superannuation balance cap.

Salary sacrifice integrity

We welcome the salary sacrifice integrity measures outlined in the Bill. Improving the integrity and transparency of the salary sacrifice and superannuation guarantee rules will promote greater equity in member outcomes as well as ensure consistency in the treatment of superannuation guarantee payments. The Bill will also give consumers greater certainty and transparency when planning for their superannuation and salary sacrifice arrangements with their employers.

Should you have any questions please do not hesitate to contact me directly on

[REDACTED]

Kind regards,

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