

Media Release  
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### **SMSFs Must Not be Singled Out for Special Treatment in the Budget**

The success of SMSFs as a retirement savings vehicle adopted by nearly a million Australians must not be penalised by targeting SMSFs in the May budget.

Australia's superannuation system has always been based on equal treatment of super funds for contributions, withdrawals and taxation. This level playing field gives Australians an equal choice of the type of fund in which they wish to invest their retirement savings.

The exceptions are the defined benefits schemes for politicians and public servants, funded by taxpayers, which pay generous, guaranteed and indexed pensions for the rest of their lives.

In contrast, ordinary working Australians must make a compulsory contribution to a superannuation fund where their retirement savings are subject to market risk and there is no guaranteed pension in retirement. It is therefore important for them to have choice as to where they invest their retirement savings and the 'fund of choice' principle has been long recognised and accepted by governments.

At last count, some 930,000 Australians had chosen to establish their own self-managed funds mainly because they want to have control over their fund's investment decisions. Official figures show that the owners of SMSFs do at least as well as the professionally managed industry and retail funds.

To penalise the success of SMSFs by subjecting them to a different taxation regime would be grossly unfair and inequitable.

Speculation about a tax raid on superannuation in the budget has already caused much apprehension among Australians that the rules will be changed yet again and their savings will be reduced by taxation so they have less to retire on than they have planned and saved for.

Their confidence has been shaken by reports out of Canberra that the Government is lining up self-managed funds to help fill the black hole in the budget. Over spending is the real cause of the Government's problem. It is raising more revenue than any government before it, but it is also spending more. In the past 5 years, tax revenues have gone up 40% but spending has risen even faster at 46%.

The Government should not be raiding the nation's savings to fix its budget problem.

The Prime Minister and the Treasurer should rule out immediately any discriminatory taxation of SMSFs in the budget.

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