

3 August 2012

The Manager
Benefits and Regulation Unit
Personal and Retirement Income Division
The Treasury
Langton Crescent
PARKES ACT 2600

Email: strongersuper@treasury.gov.au

RE: Exposure drafts – SMSF auditor registration

Dear Sir/Madam,

The Australian Institute of Superannuation Trustees (AIST) is an independent, not-for-profit professional body whose mission is to protect the interests of Australia's \$450 billion not-for-profit superannuation sector. AIST's members are the trustee directors and staff of industry, corporate and public-sector superannuation funds, who manage the superannuation accounts of two-thirds of the Australian workforce.

AIST supports this exposure draft. We believe that SMSF trustees should enjoy similar consumer protection, as that extended to retail financial services consumers, when choosing an SMSF auditor. Furthermore, we agree that the annual audit provides assurance to the Government and the general public that SMSFs are being managed appropriately which highlights the need for this Bill.

'Consumer protection' is a broad term which includes the level of training, competency and independence that an SMSF trustee can reasonably expect from an SMSF auditor - both from an initial requirements perspective and from an ongoing professional development perspective - and that their choice of SMSF auditor has appropriate professional indemnity insurance. Both of these are issues examined within this measure and we believe that registration of auditors sets an excellent framework to ensure that SMSF trustees eventually receive appropriate protection in the following areas:

- Standardised disclosure of services, fees, charges and risks associated with engaging an auditor; and
- Dispute resolution procedures associated with the engagement of an auditor.

AIST supports the draft in that it provides for ASIC to be the registration body for SMSF auditors which will be responsible for setting competency standards and apply penalties to non-compliant auditors. It also provides powers to the ATO to monitor auditor's compliance with relevant standards and refer any non-compliant auditors to ASIC for enforcement action.

If you have any further questions regarding this submission, please contact Tom Garcia, Policy and Regulatory Manager on (03) 8677 3804 or tgarcia@aist.asn.au.

Yours sincerely,

A handwritten signature in black ink that reads 'Fiona Reynolds'.

Fiona Reynolds
Chief Executive Officer