

Preface

Over my long and diverse professional career, being fully informed and undertaking detailed research have been essential in achieving successful outcomes. This applies without doubt to making savings and investment decisions, my major area of interest after leaving academia and employment with the International Monetary Fund and the Australian Government to start my own business.

My first book, *25 Tax and Investment Strategies*, demonstrated the benefits of paying as much, or even more, attention to strategies, including choosing the most suitable structure for owning an investment rather than individual investments. The success of this publication in helping small investors was such that chapter 13, 'Never pay tax on a dividend', resulted in legislation to close off the strategy.

This, my latest book, continues the tradition of all my books by providing comprehensive information to help ordinary Australians make sound decisions for managing their money. Many of my newspaper and magazine articles, including those in *The Canberra Times* and *Smart Investor* as well as several books on superannuation strategies, have detailed the advantages, both for tax purposes and personal goals, of using super as a retirement savings vehicle.

Together with a large and growing number of other Australians, my family chose to use a DIY or self managed super fund (SMSF) to own the largest part of our investment assets. From both tax and social security aspects, there are compelling reasons to do so.

It is possible to obtain the same advantages using public offer retail, industry and some employer-sponsored funds. However, you may

be surprised to know that many of the trustees and managers of these funds use an SMSF for their own super. One key reason they do so is the greater flexibility and control provided by using an SMSF, even when all the investment decisions are farmed out to professional managers.

In investigating the alternatives, don't be scared off by criticism of the high costs of establishing and running an SMSF. Do your own research. In many cases, especially where small amounts are involved, the costs of running an SMSF will definitely be higher than those of using a public offer fund. Nevertheless, coming to a decision about whether to use an SMSF also involves a consideration of the additional benefits of doing so.

After many years' experience helping clients, I can assure you that the benefits are often substantial and offset any higher costs incurred from using an SMSF. I specifically refer you to chapters 8 and 9 of this book, dealing with insurance and estate planning, which outline the substantial benefits of using an SMSF. Even though I have had one client threaten to sue me for not forcing her to take my advice, I leave it to you to come to your own decision after researching the benefits and costs of establishing or running an SMSF for your own superannuation.

This book, prepared with the assistance of a great technical team (credited in the acknowledgements) holds nothing back and considers all the issues relevant to establishing and running an SMSF. The great thing is that over the period since I established the Dixon Family Super Fund, the advice and services available to assist with the fund operation have improved greatly and are now much more affordable.

As with other important decisions, obtaining professional advice will help you make a decision. Even if you don't want to master all of the detail provided in the following chapters, this book will help you prepare a checklist of all the items you need to consider. Read on.