

## Submission to the Productivity Commission Re Superannuation

16 August 2017

This enquiry is not a productivity issue. The Productivity Commission should work on Productivity issues and others should work on this. We urgently need an understanding on productivity opportunities. Reduced pay, less leave lower penalty rates are not productivity.

### Superannuation

I have a SMSF and now use a third party to manage it because compliance has become to complicated.

When my wife and I first started the fund I managed it myself including the Tax return and Regulatory return. It passed Audit every time with no issues. It was truly Self Managed which I thought was the intention.

Over time the requirements became more and more complicated including needs for a Actuarial report to divide the earnings. Why it could not be pro rata to the assets fo each fund is beyond me. No one can explain it to me. Don't rock the boat attitude is rampant.

My fund is now externally managed in full. I can track the performance daily a web site if need be. I Don't.

We have had to maintain an account with an institutional fund for an accumulation account to avoid the cost of an Actuarial Certificate on our Pension Funds. One year the government refunded my wife and I a small amount say \$40 each. This triggered the requirement for an Actuarial Certificate at a cost of \$180. Net loss to us \$100. I offered to give the money back to avoid this but was told not possible. I contacted Tax office Super people who advised me to put it in a separate account , no certificate required.

My wife works for a short period of the year and in order to avoid Actuarial Costs (which would exceed the super contribution) her super is being deposited in an industry fund. We now find these contributions are being consumed by a life insurance policy that we don't want and don't need. She cannot work out how to turn it off!!!!!!!!!!!!!!

I fail to understand why members funds are being used for the high level of Sales and Marketing activity. It does nothing to promote the interests of members.

As mentioned above ant life insurance offered should be on a strictly opt in process and it should be very clear what the payment is before signing up. I do not understand why Life Insurance is a deduction from Super Funds, it should be totally separate.

The increasing complexity has proved costly to me as I now have to pay for what was once a fairly simple process. As a trustee I have an obligation to ensure it is there for the benefit of Members. More and more this is not true as I see an increasing slice go to others to meet the complexity of the legislation.

Alan Clapham