

Ron Bone

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SUPERANUATION

Dear Commission,

I am 65 years of age, a company director, with a significant amount of experience in retirement funding. Born in an English pit village, I was raised strongly left wing, but changed as life unfolded.

My perception of superannuation in Australia is that it is flawed, and has been since inception. The reasoning behind it is to reduce the value of pensions paid from treasury, which has been growing at an alarming rate due to human longevity.

In a society where fiscal responsibility is rarely taught in the education system, it is unrealistic to give the population responsibility for making investment decisions relative to retirement, perhaps akin to leaving sickness to a google search.

This has spawned a large financial industry with fees reducing balances substantially. A greater issue is 'industry super funds' that use fees for political ends, and ideological investment. The average person either goes with a fund of their employer's choice, or picks a recommendation, or association related to identity. They simply cannot invest wisely when they have neither the qualification or experience to do so.

The pot at the end of the rainbow is the lump sum, commonly taken and spent or squirreled away in a manner which still allows a full pension and concession card. This ability negates the very reason for superannuation inception, and has another financial cost in advisors as to how to manipulate personal funds to maximize pension and benefit income.



In balancing work time and family time, investing wastes precious time and produces insufficient reward. Better that government invests all revenues from employers into a balanced portfolio and distributes a true pension, something like that done for the government employees and representatives fund.

There is also a matter of trust. I took everything at sixty, because I didn't trust government to not make detrimental changes in the future, many feel the same way.

With respect to my children, until at least thirty years of age they needed money for building a 'nest', retirement was not an issue. To an extent, super makes the great Aussie dream of home ownership more difficult.

Finally, super detracts from the importance of personal savings. It has always been important to save for retirement at an appropriate age, usually via the bank or an insurance policy. Today it is often left to super, and insufficient funds once needed, as average balances prove.

Yours sincerely

Ron Bone FAICD.dip

