

Submission to Superannuation Productivity Commission

From Robin Town – retiree with SMSF

The following are general comments from an individual who was employed in the private sector for 41 years and for 40 years had the benefit of an employer sponsored superannuation scheme. I was a trustee of the employer's scheme for 12 years. I retired in 2013 and established an SMSF as the primary provider of retirement funds for my wife and me. We are self-funded retirees.

- In employment, it was easy to use retail or industry funds as we could access balanced or growth investment funds depending on our circumstances and risk tolerance. It gave reasonable results with relatively low fees and didn't require a lot of personal time. Transparency of all fees was not a feature of these funds.
- On retirement, we found that there was not a retirement option through our super funds. Banks and financial advisors were prepared to assist with retirement options but generally required fees of 1.5% or more of funds invested plus investment fees from the various recommended funds.
- My wife, as a female teacher, had been discriminated against throughout her working life – required to resign and forego superannuation benefits when stopping work to have children or changing employers, so her accumulated benefits were relatively low. It would have been much more beneficial to us (and ultimately to Australian taxpayers) if we were able to balance our superannuation accounts in our SMSF after retirement.
- In retirement, we have a greater focus on income generation to meet our living needs as well as retaining focus on growth for the long term. Our risk appetite has changed and continues to change over time. We also have more time and inclination to be actively involved with our investments.
- Over our working lives we used our superannuation as our primary source of funding for our retirement. We maximised contributions when possible and pretty much did what various governments of the day encouraged us to do. Unfortunately, in retirement governments have continued to change the rules and threaten more changes which provides continuing uncertainty for us. **More policy stability is therefore of paramount importance for us.**
- We established an SMSF on retirement for the following reasons:
 - The fees are lower than the alternative retail superannuation products
 - There is more transparency around fees
 - We have more personal involvement in our own investments and returns
 - We are better able to choose an appropriate investment mix to meet our personal needs and risk appetite
 - We have very good administrative help and investment advice for which the fees are totally transparent
 - We get very good information (daily) on our fund and active help from our provider
 - Retaining the vast majority of our retirement funds within this environment makes for a simple tax environment outside of our superannuation
- We do not have other funds with any institutional fund as we feel no need for this.

Above all else we would like government to stop messing with our superannuation so that we can have some certainty in retirement when our ability to adapt is much more limited than when we were in employment. We managed our affairs during our working lives to maximise our retirement savings as advised and encouraged by governments of the day only to find now that politicians of all persuasions seem to view our savings as an alternative source of government funding.