

Please add this further submission. hope it is all going well.  
ADDITIONAL SUBMISSION (to earlier submission on the 2nd of May)

17 May 2001

Review of Certain Superannuation Legislation  
Productivity Commission  
PO Box 80  
Belconnen ACT 2616

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SA

#### Registration of Interest

I would like to be kept informed about this inquiry.  
I would like a copy of the issue paper.  
I am making a written submission in this letter to the inquiry.  
I would like to present a submission at a public hearing and would prefer Adelaide.

#### RE: Submission to the Review of Certain Superannuation Legislation

I am raising two further issues regarding a review of certain superannuation legislation (a continuation of the previous submission).

The third issue to consider is if the restrictions on the portability of superannuation funds is consistent with a superannuation act. For example would the superannuation company COMSUPER be acting contrary to the Superannuation Act 1990, Sect. 4, Part 2 if it restricting the portability of superannuation funds in any way.

#### SUPERANNUATION ACT 1990- SECT 4

Part 2-The Trust Deed to establish Public Sector Superannuation Scheme etc.

(1) Not later than 30 days after the commencement of this Act, the Minister must, for and on behalf of the Commonwealth, by deed:

- (a) establish an occupational superannuation scheme for the benefit of:
  - (i) persons employed by the Commonwealth and approved authorities; and
  - (ii) holders of statutory offices; and
  - (iii) other persons;
  - (iv)

who, on and after the commencement of Part 3, will be, under that Part, members of the scheme; and

- (b) establish, and vest in the Board, a fund for the purposes of the Public Sector Superannuation Scheme; and
- c) set out the functions and powers of the Board.

(2) The deed must be in the form set out in the Schedule.

The act clearly states that (1) (a) establish an occupational superannuation scheme for the benefit of: (i), (ii), (iii) other persons; etc. I have found that the portability of superannuation benefits is a matter determined by COMSUPER and as such it does not necessarily allow competition between COMSUPER and other complying superannuation providers. It is arguable if the restriction on the portability of superannuation funds is desirable of benefit and consistent with superannuation acts. Clarification is required as restrictions on the portability of superannuation between complying funds appears to be for the benefit of the superannuation provider not the holders of superannuation funds and COMSUPER for example may be acting contrary to the superannuation act in this matter.

The Fourth issue is that the Superannuation Complaints Tribunal (SCT) should have the power to investigate all superannuation matters. State governments may have their own authorities but I see no reason why unsuccessful appeals to these authorities could not be further appealed to SCT which would have overriding powers. Restrictions on the SCT powers is simply weakening peoples already weak position regarding superannuation complaints. A superannuation Ombudsman may also be worth establishing to make recommendations to changes to superannuation legislation. At present superannuation legislation appears to be dominated by the superannuation industry and this is a very dangerous situation as I can imagine a HIH type of collapse in the future, when the population ages and the outgoing pension payments exceed the incoming contributions (we cannot keep raising the superannuation levy forever).

I hope these suggestions can be taken up as I am sure it will benefit all in times to come. I welcome any further inquiry as I have a personally interest in the resolution of these issues.

Yours sincerely

Dr Thomas Horr