

2 March 2001

Review of Certain Superannuation Legislation
Productivity Commission
Belconnen ACT 2616

Dr Thomas Horr
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 issues as I have had difficulties personally and am sure other people are experiencing similar frustrations. I think if we could act on them considerable improvements in the system could be achieved for many.

Firstly I wish to suggest the following changes to the Superannuation Act:

A retrospective law (overriding a trust deed or rules) allowing a member of a fund to be allowed to immediately rollover their superannuation to another complying fund (with interest paid to the rollover date) with fees and charges limited to those required under Federal Law.

At present, the portability of superannuation benefits is a matter determined by the individual fund. Fees and charges in the event that a rollover is allowed are also determined by the individual fund. This situation is akin to a bank determining whether you can change banks or must keep your money with them and in the event that a rollover is allowed, fees set by the bank must be paid. It would be best if the superannuation acts came under the trade practice act as do the banks so investigations can be performed by the Australian Competition and Consumer Commission (ACCC). The banks are regulated but the superannuation industry is still really a law unto themselves.

This simple change in the law will allow competition between superannuation companies and save the Government millions as it allows people to maximize their superannuation for retirement. The law as it stands rewards poor performance of super companies with the Government picking up the tab with increased pension payments when the super is drawn.

A second issue is that complaints handled by the Superannuation Complaints Tribunal (SCT) after review, should list the name of the superannuation fund as in Federal Court Decisions. It would make complaints easier to resolve if the person making the complaint can review past interpretations by the SCT of a particular superannuation companies trust deed and rules.

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 this issue.

Yours sincerely

Dr Thomas Horr

