

I recognise that this submission comes late in the day and apologise for that. I was inspired to write by Dr Ken Henry's comments at his recent (televised) appearance at the National Press Club in Canberra.

In general terms, the taxation and taxation-related provisions governing self-managed superannuation funds are a disgrace. They can have been devised only to support the interests of either the accounting/taxation advisor 'profession' or to force retirees into placing their investments with managed funds that charge high fees and trailing commissions without regard to results achieved, which are not in any case overly impressive.

In my own case, for the financial year 2007-08 my self-managed retirement fund recorded a total of eight transactions – four interest payments, one capital injection, two withdrawals to pay the ATO and one withdrawal to pay the accountant for establishing the fund. To manage the account I was charged \$880.00 by the accountant and \$525 by a separate auditor – a total of \$1405 or just on \$176.00 per journal entry. If a remotely similar regime was applied to corporate taxation Australia's largest businesses would have to cease trading within a year due to insolvency.

I then consulted the ATO web site and obtained the do-it-yourself proforma for self-managed superannuation. It was dense with technical and unexplained terms to the point where only a financial professional could confidently complete it. (I have been a company director and can understand corporate financial reporting, but the most complicated and note-encrusted financial reports are simple when compared against the superannuation requirements.)

I do not believe that most of the administrative processes attached to self-managed superannuation are necessary or desirable. They do little to protect the retirees and in fact leave them vulnerable to financial gouging by the finance experts. I am hopeful that this and other submissions of similar ilk will result in a significant simplification. As things stand, I was considering working through a self-funded retirees organisation to warn working people to minimise their superannuation contributions and rely on part eligibility for aged pension benefits.

The manner in which superannuation administration is imposed has turned participation into a burden and has acted against Australia's financial interests and broader policies.

Yours sincerely,

Roy Sach