

The Hon Kenneth Hayne AC QC
The Commissioner
Royal Commission into Banking,
Superannuation and Financial Services

21 September 2018

**Submission to the Royal Commission into Banking,
Superannuation and Financial Services
- Superannuation Matters**

As consulting actuaries, we welcome the interim findings of the Royal Commission and note its concern over the level of costs imposed on compulsory superannuation in Australia.

The Commission has noted the high level of fees and commissions associated with the current superannuation system are a disincentive for members to engage. We note that this is especially true amongst the younger members of the workforce. This situation is not assisted by insurance cover often implemented by trustees and administrators with little or no consultation with members.

As a step towards re-engaging Australia's workforce to actively review their superannuation, we would recommend the following changes:

- contributions should be made directly by members rather than indirectly by employers, and
- these contributions should be made voluntarily so that members have a choice about saving towards their life goals depending on their circumstances

These steps would encourage members to re-engage with how their money is managed and to question any fees and insurance levied. The incentive to save via superannuation would remain given the tax concessions necessary to offset pension costs to government.

We at connectingthedots.com.au believe that self-interest and ongoing engagement by super fund members is the best antidote to the inadequacies of the current system, as identified by the Royal Commission to date.

Yours Sincerely



Fellow of the Institute of Actuaries of Australia

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Footnote: Members who belong to pension schemes with defined benefits are generally not subject to fees or insurance levies and should remain unchanged. These schemes include the following: Commonwealth Superannuation Scheme, Public Sector Superannuation Scheme, Military Superannuation, NSW Local Government Superannuation Scheme, State Emergency & Services Superannuation, Transport Services Superannuation, NSW Police Superannuation Scheme and various corporate sector schemes offering defined benefits.

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