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13th March 2013

The Hon. Bill Shorten
Minister for Superannuation
Parliament House
CANBERRA ACT 2600

Dear *Mr Shorten*

SUPER IS TOO IMPORTANT TO MESS WITH

Every day I meet with hard working, traditional Labor voting, mums and dads in their late 50's who are angry and fearful you are going to destroy their retirement prospects by pulling the rug from under their superannuation plans.

Their fears are based on the drip feed of information in the media suggesting the Gillard Government is going to make further cuts to the superannuation benefits which these people have relied upon. If this reported approach is correct, you will go down as the worst minister for superannuation in Australian history.

Don't be fooled by the mirage of super being a rich person's play thing. Every client I have has ended up in the financial position they are in because of hard work. Where they have become financially comfortable it is because they were **uncomfortable**, working 14 hours a day or more at the peak of their career – taking responsibility for their own retirement.

The argument that superannuation is a burden to the revenue side of the budget sounds like the work of an undergraduate economist, rather than one with real world experience. I am old enough to remember many of my clients at 55 who felt they were too sick and tired to continue under the pressure of a 9-5 existence and so would go on the 'dole', Disability Support Pension or Sickness Benefit until they became eligible for an age pension. These days, following a Transition to Retirement strategy, individuals tend to work a few days less per week and remain contributing, tax paying members of society longer – rather than suffering a miserable fate of being poor and lonely at the end of their working lives. In my observation, those who work longer remain healthier longer – therefore are less of a burden to society.

Should the Gillard Government be removed at the next election, I am certain that a significant factor will be due to the perception held by many people over 50 that Labor is prepared to renege on the promise of a decent retirement for all working Australians. Certainly this is a common theme amongst my clients, many of whom identify as very hard working traditional Labor voters.

I would also remind you that these people vote. According to ABS, the percentage of the voting population over 50 by 14 September 2013 will be greater than those below it. Anecdotally, there are a lot of very unhappy Labor supporters out there who feel you have put their retirement at risk.

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Mr Shorten, please do not get “sucked in” by flawed arguments around super. Any econometrician will model just how good the current system of super is for the budget bottom line when reduced Centrelink outlays are included in the analysis. If you must increase revenue then the most sensible “lever” to pull is to tax consumption – simply raise the GST level.

I would urge you, therefore, to relieve the fear by leaving the superannuation system alone.

Yours sincerely



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