

**Subject:** End of Financial Year 2015  
**Attachments:** 2015 04 20 - Frydenberg - Your Article in The Australian.pdf; 2015 05 21 - Frydenberg - Response to Our Letter 2015 04 20.pdf

Dear friends

Once again the end of the tax-year is on the horizon and that means it's a good time to think about your personal financial situation and to do something about it, if necessary.

The starting point is to look at your superannuation – have you both contributed as much (up to the limits) as you can?

As you know, superannuation is a very tax-efficient way to prepare for your retirement. In just about every situation it is better for a working person to have money in super than in separate investments.

Now is also the time to consider your life-insurance needs – should you keep it or should you drop it? Please ask for advice on this one before acting, but there is obviously a point where insurance becomes very expensive and your family no longer needs the same level of financial cover.

If you are considering retiring in the new financial year, or you anticipate a redundancy, please also feel free to discuss the best strategy in the lead up to this event. In many circumstances a little advice can save tens-of-thousands of dollars.

For those of you in the draw-down phase, I would suggest you consider if you are enjoying a sufficiently comfortable retirement and discuss what scope you may have to change arrangements. Sometimes we can change a few settings.

I expect the last quarter of this year to be bumpy on the financial markets – in my view we are due for a cyclical correction – but as I always say, 'fasten your seatbelts and stick to your strategy' and everything will be fine!

For your information, I have attached some correspondence with the Assistant Treasurer Josh Frydenberg, which may be of interest. My initial reaction is that he is an intelligent individual who believes in the future of superannuation, which is great news for the country.

As always, please don't hesitate to contact me or any of the MFG team if we can be of any assistance.

Kind Regards

**Theo Marinis B.A, B.Ec, CPA, CFP®**  
**Financial Strategist**  
**Authorised Representative**



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20<sup>th</sup> April 2015

The Hon. Josh Frydenberg MP  
Assistant Treasurer  
PO Box 6022  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

Dear *Mr Frydenberg,*

### YOUR ARTICLE IN THE AUSTRALIAN

I write in response to your very sensible article on superannuation in the March 14, 2015 edition of The Australian.

As principal and Responsible Manager of an Adelaide based, self-licensed financial planning practice providing advice to clients on around \$130 million of their super and retirement savings, I am always interested in the views of our political leaders on this topic.

I may also have the benefit, perhaps, of prior career experience with the ATO, ISC and Centrelink to place me in a position to make reasonably well informed comment on the Australian superannuation retirement system.

One of the biggest obstacles to encouraging people to provide more money for their retirement is the fear that Canberra will change the rules; it discourages people from saving for their retirement. As a nation, I am of the view that we should encourage people to take responsibility for themselves.

I am also of the view that all members of parliament should be encouraged to avoid the risk of politicising superannuation; there is real fear in the community that the excellent super system we have will be destroyed.

It is widely agreed that Australia has the second best retirement income system in the world. As a believer in the premise "If it ain't broke don't fix it", if our super system is not adequate, and it's the second best system in the world, perhaps have a lot less to worry about than just about every other nation.

I would urge you, therefore, not to waste time dealing with the few people who have large superannuation balances – my advice would be to forget them, and concentrate your efforts on the twenty million who do not have enough. By all means tighten up the age pension eligibility rules (by adjusting the taper rate for example) but the system does not need a major overhaul.

As well as, and perhaps as an alternative to, consultation with senior Treasury staff, I would also encourage you to talk to the 'grass-roots' and technically proficient public servants (Centrelink FIS Officers for example) before you attempt to adapt or develop superannuation policy. These are people at the front line who see and understand first hand, the impact and the inevitable 'work-arounds'.

If modelling and the IGR point to a tax shortfall, the common sense approach surely points to changing the tax arrangements from taxing income, to taxing consumption as the 'boomers' begin the journey into the super drawdown phase.

Superannuation is on the cusp of delivering the best retirement any generation of Australians have ever had – let's not damage this with ill-conceived tampering with a very good system.

I would be delighted to share with you, or your advisers, my 'front line' views on improving Superannuation system to benefit all Australians without degrading the tax base; please feel free to contact me.

Sincerely

**Theo Marinis B.A., B.Ec., CPA., CFP®**  
**Financial Strategist**  
**Authorised Representative**







Mr Theo Marinis  
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21 MAY 2015

Dear Mr Marinis

Thank you for your correspondence of 20 April 2015 to the Assistant Treasurer raising concerns about possible changes to superannuation arising from the Government's current tax review process. The Assistant Treasurer has asked me to respond on his behalf. I apologise for the delay in responding to you.

The Government recognises the contribution self-funded retirees make to Australia and acknowledges the concerns you have raised. During the election campaign, it gave a commitment that it would not make any unexpected detrimental changes to superannuation. The Treasurer reiterated this commitment in his recent Budget speech.

The Assistant Treasurer appreciates the time you have taken to share your ideas. Community views are of critical importance to the Government in formulating its policies.

Once again, thank you for taking the time to write.

Yours sincerely

A handwritten signature in cursive script that reads "Ian Beckett".

Ian Beckett  
Principal Adviser  
Personal and Retirement Income Division