

13 July, 2006

**General Manager
Superannuation, Retirement and savings division
The Treasury,
Langton Cres,
PARKES ACT 2600.**

“A Plan to Simplify and Streamline Superannuation”

Chapter 9-Making it easier to find and transfer Superannuation.

Dear Sir/Madam,

I am attaching a submission in response to your invitation for public comment on the “plan to simplify and streamline superannuation”.

I am an industry participant and certified financial planner having worked in senior marketing roles with large financial institutions and a financial planner since 1984 and an industry representative with the financial planning association from 1989-1993.

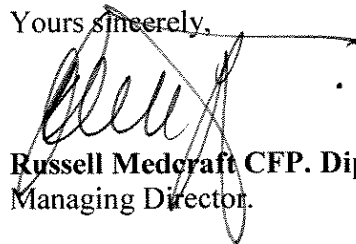
My expertise lies in the field of superannuation and I am the managing director of Australia’s first online search facility for lost superannuation –findmysuper.com.

It is with this background and experience that I can comment with some authority on how to simplify and streamline the superannuation industry in Australia and increase the public confidence in the superannuation system.

I have not attached a massive outline of how the system can be improved but some very simple and powerful ways that will make it easier for the public to engage themselves in the system and consolidate their many accounts.

It is only on this part of your paper that I want to address.

Yours sincerely,



Russell Medcraft CFP. Dip FP. Dip BS
Managing Director.

Background.

Find my super began in September 2000 as an online facility to help people find their lost super accounts that were sitting on the ATO lost member register. Our service was free to the general public and Solicitors, Financial Planners and other professionals.

Since that time we have received over 267,000 registrations on our web site.

We have researched our customers and asked them what their dominant motive for visiting our website was. The number one reason was to find and consolidate their multiple accounts.

Our process.

We collect a signed authority from the client which outlines what super fund they would like to consolidate into as well the authority is appointing us to represent the client and conduct a search of all known superannuation accounts that may appear in their name.

We work with the Superannuation industry and assist them in rolling over into and from their fund. This experience has given us an enormous amount of intellectual capital into how the roll over process can be improved.

Recommendation 1.

Develop a consistent search request form for customers to complete. This will allow members of the general public to search for but not necessarily roll over any superannuation that has been located. This form can be emailed, faxed or mailed to all funds for account confirmation.

In fact all funds should make available the web site access to members' accounts similar to www.unclaimedsuper.com.au

If all funds had online matching access to simple member account data like name, tax file number then it would be very easy to track and consolidate accounts.

Recommendation 2.

All Superannuation accounts matched by tax file number to appear on ATO member register. It should not just be for lost accounts. Lost account reporting has very severe limitations and has been a limited success.

If all accounts matched to tax file number were centrally located then the consolidation process would be improved.

Recommend 3.

All superannuation accounts should be categorized according to their asset allocation. That is eligible roll over funds; Retirement savings accounts and other cash type superannuation accounts should be renamed as "Retirement cash accounts".

This will allow members to understand that these accounts earn an interest rate and cannot earn a negative return.

Accounts that have equities, property or other growth assets should be renamed “Retirement growth accounts”. These accounts earn a growth amount and can receive a negative return on the capital invested.

By categorizing these accounts then superannuation members can compare their relative performance before transferring any accounts.

Recommendation 4.

Appointing authorized agents for the centralized ATO facility to assist members in consolidating their accounts.

I am in favor of the ATO appointing certain organizations who have the experience, independence, facilities and research capabilities to enable people to find and consolidate their multiple accounts in an easy cost effective way.

By appointing Industry participants’ superannuation members would be able to go to a centralized hubb to record and consolidate accounts with funds.

I do not think it is appropriate that Superannuation funds be allowed to locate and match their members to the lost member register and transfer accounts without the members’ specific instruction.
Allow a consumer focused organization to act on behalf of the member to roll over accounts.

I would be pleased to comment further on these recommendations at your invitation.