

Committee Secretary  
Parliamentary Joint Committee on Corporations and Financial Services  
P O Box 6100  
CANBERRA ACT 2600

2<sup>nd</sup> October 2012

Dear Sir/Madam

I am writing to you in relation to the current inquiry into the Superannuation Legislation Amendment (further to MySuper and Transparency Measures) Bill 2012 (the 'Bill').

I am a self licensed financial planner with 25 years of industry experience and teach the Financial Planning Elective at Flinders University. I advise in all aspects of Superannuation including Retail/Industry Funds/Wrap Products and Self Managed Super Funds and run an open architecture Approved Product list based on merit supported by independent research. I am currently a Member of all of the major Financial Planning Associations in Australia.

I have followed the debate on the establishment of MySuper Accounts with interest with the current position reflecting the various bargaining positions of large institutions while the independent sector views and extensive experience has been largely ignored.

In my practice, the average annual advice fees from an individual member of a group plan is around \$50 or the cost of an annual medical appointment. For this, clients get access to a multiple range of services including access to Senior Advisers when there are the inevitable changes in their financial life. Group services are a cost effective and efficient way of providing access to high quality advice when the public most needs it particularly so when insurance claims need to be submitted and payments made.

While MySuper has been described as 'Commission Free' it is equally accurate to describe it as 'Advice Free' leading to even greater disengagement from smaller clients who will see My Super as a Second Class Product for those who are unable to get access to professional advice when they need it at an affordable price. The current chaotic interpretation of 'Intrafund Advice' does little to alleviate this.

Matters have now been compounded with accounts being moved from highly regulated Retail and Industry Funds into Self Managed Super Funds increasingly via unlicensed advisors encouraging inexperienced investors to gear into residential property. To really reduce fees for Superannuants, there needs to be active vigorous competition between service providers with the abolition of the current closed Shop award based system.

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Haydn Dale, Arthur Pringle, Matt Sutton and Tony Virtue  
Amalgamated Financial Services Pty Ltd T/A Virtue & Partners ABN 42 060 673 814 AFSL 407238

While ensuring the public get value for money is of high importance, so is getting access to appropriate advice from experienced practitioners when they most need it. Much more thought needs to go into the planning of MySuper in which all aspects of the investment process are provided at competitive rates.

Destroying the financial ecology of the Superannuation Profession through the elimination of the Independent Financial Planning Sector may seem politically attractive but the whole community will pay a heavy price if we have to deal with another GFC. I have had direct experience of the premature death and disability of my colleagues in response to being used as political pawns in this process.

There is a better way forward for MySuper through leveraging the enormous experience of industry practitioners. My colleagues in the independent sector that provide genuine competition in the market place are ready to play our part and actively participate in improving the current proposal.

Yours sincerely



**Dr Tony Virtue**

**B Bus (Fin Plan), M App Fin, DBA, JP, FAICD**

Certified Financial Planner & Partner

Chief Executive Officer

Amalgamated Financial Services Pty. Ltd.