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**From:** Mark Graham <Mark.Graham@altusfinancial.com.au>
**Sent:** Wednesday, 18 October 2023 5:13 PM
**To:** Superannuation
**Subject:** Submission on Treasury Laws Amendment (Better Targeted Superannuation Concessions) Bill 2023

**Follow Up Flag:** Follow up
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To whom it may concern,

I have had the opportunity to read commentary on the abovementioned Bill and wish to provide my thoughts on my views of the Bill and its impact on the economy and community.

It appears that the main objective of the Bill is to create a more sustainable and fairer Superannuation system. I'm not quite sure what "more sustainable and fairer" actually means, however for those that have worked hard their whole lives and contributed to superannuation during the course of their working life under the laws applicable throughout their working life, it hardly seems fair that those people are taxed more when the overall objective has been to reduce the pressure on public funds by those people not relying on the social welfare system as administered by the Federal Government. Furthermore a result of the Bill is that the Government will raise further revenue through this tax.

I understand that currently only approximately .5% of the Australian population has a superannuation balance in excess of $3m. I would suggest that these people have worked hard during their lives and been able to make astute investments in superannuation to create a balance that will allow them to be comfortable and secure during their retirement. Another tax, as outlined in the Bill, means less available for these people to rely on and a greater potential for some to revert to the welfare system. Furthermore, given that only .5% of the Australian population falls into the greater than $3m category, if the government objective is to generate more revenue then it is a very targeted way to achieve it generating only a small amount of income from a particular group only. A fairer way for the government would be to increase the GST resulting in a much more equitable tax across the whole population as opposed to targeting a few that would be considered wealthy, notwithstanding they have worked hard to achieve their superannuation position.

I can also see that into the future, even though people may not currently fall into the greater than $3m bracket, with increases in asset values and income generated through superannuation it won't be long before a greater portion of the population has superannuation balances in excess of $3m resulting a higher impost to a larger portion of the population. I see this a s inequitable as well, especially for younger people struggling with continuing cost of living pressures and in in particular the cost of housing. I see this can only lead to a society more dependent on Government welfare system and a society that is subject to greater financial struggle.

I have an issue with the fact also that the Bill is looking to tax unrealised gains on asset values in superannuation. Never before in my professional history as a tax professional have I seen unrealised gains taxed(except in very limited circumstances). I understand that the tax can be paid either by the individual or the fund, however the taxation of unrealised gains is a concept that is hardly reasonable as there may be insufficient funds available either personally or in the superannuation fund as the assets may be constituted by assets that cannot be made liquid with in the 84 days of payment of the DIV 296 Assessment.

Overall I believe the Bill targets a small group on taxpayers that are considered to be wealthy and is therefore not equitable across the Australian population and is actually discriminative. Furthermore, I am concerned that the taxing of unrealised gains can result in flow through affects to asset values and the economy generally.

This coupled with the worrying trend of retirees having to return to the workforce, the spiralling cost of living climbing over and well above inflation, the absence of any consumer advocate such as the Consumer watchdog who in reality is benign to policing the gouging by Giant Corporations such as Private Health insurers , Home content and building insurers ( premiums up 27% this year alone) and Supermarkets, makes Superannuation a most unattractive option to save for one's retirement. Even the incentive of selling the family home and topping up super has not been as well received as intended as this too will push people over the cap.

Present Government modelling of singles and couples retirement yearly amounts are unrealistic and do not take into account Cost of Living Spirals. A couple expected to survive a well earned and comfortable retirement could never do this on the $60,000 yearly income suggested by Jim Chalmers. Council rates ,Private Health Insurance, Home insurance, food , motor Vehicle registration and Insurance and petrol costs would leave a very small amount of yearly income to actually enjoy the fruits of a working life. This defeats the purpose of self funding your retirement if you eventually live on the breadline. That's no holidays etc.

The changes sought by Government to garner increased taxes from Superannuation also foster a distrust of Government to honestly encourage people to work hard and self-fund their retirement. The end result would therefore be a Government that ultimately pay the price in the future as Superannuation becomes an uncertain and non viable option. Spending all your money and holding out your hand for a pension will therefore become a much easier alternative.

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