I am writing to express my concerns over the Treasury Laws Amendment (Better Targeted Superannuation Concessions) Bill 2023.

I am a 42 year old single male employee with a self managed super fund.

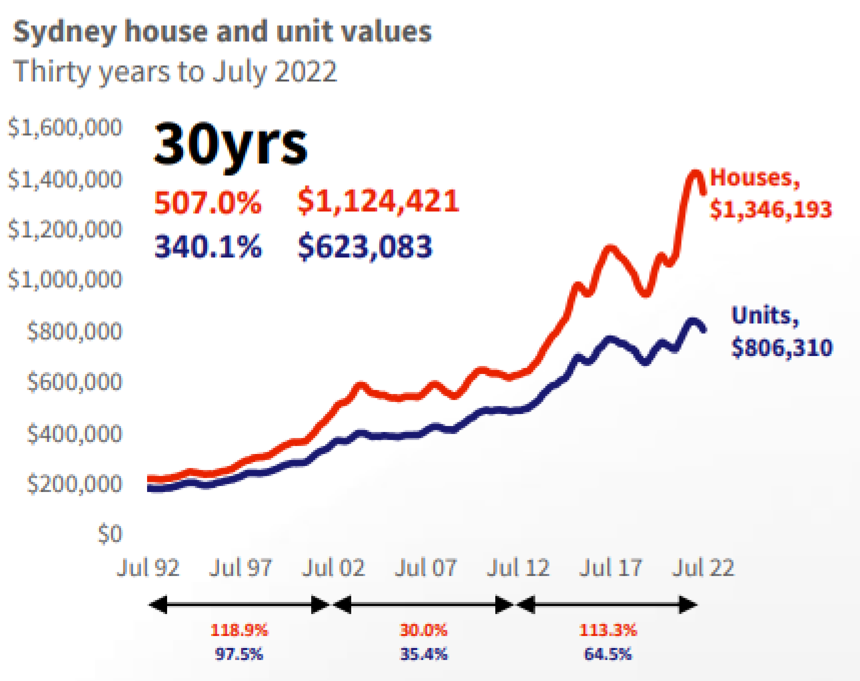
I am writing this not as concerns just for myself, but for the future Australians that this will be affecting over the next few decades.

This bill will not be affecting me immediately as my SMSF balance is well below the $3 million cap, however, as purchasing power of our dollar continues to decrease, I am anticipating that this Bill will be affecting me before retirement so this does concern me & many others,

The 2 big concerns I have for this are:

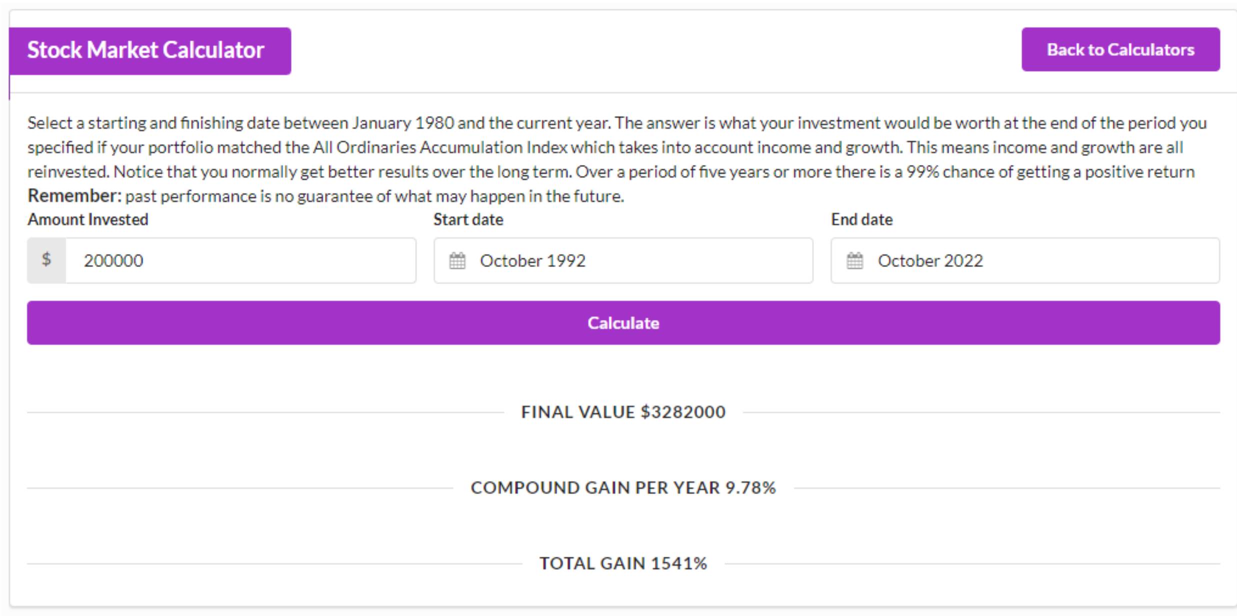
- Not having the amount that this is implemented indexed to some form of vaulation
- Taxing unlealised gains is not a good idea at all.

<u>Having the amount of $3 Million not indexed</u>
The first part of this not being indexed to some form of valuation to me is a serious lack of understanding of how much our dollar loses its purchasing power over time.
At $3 Million balance this will be impacting more and more people every year as people will be needing to have balances exceeding this amount for their superannuation to last their retirement.
With the median Sydney house price increasing about 5 times than it was 30 years ago, if we keep this trend then the $3 million balance won't even be enough to buy an average house in Sydney.

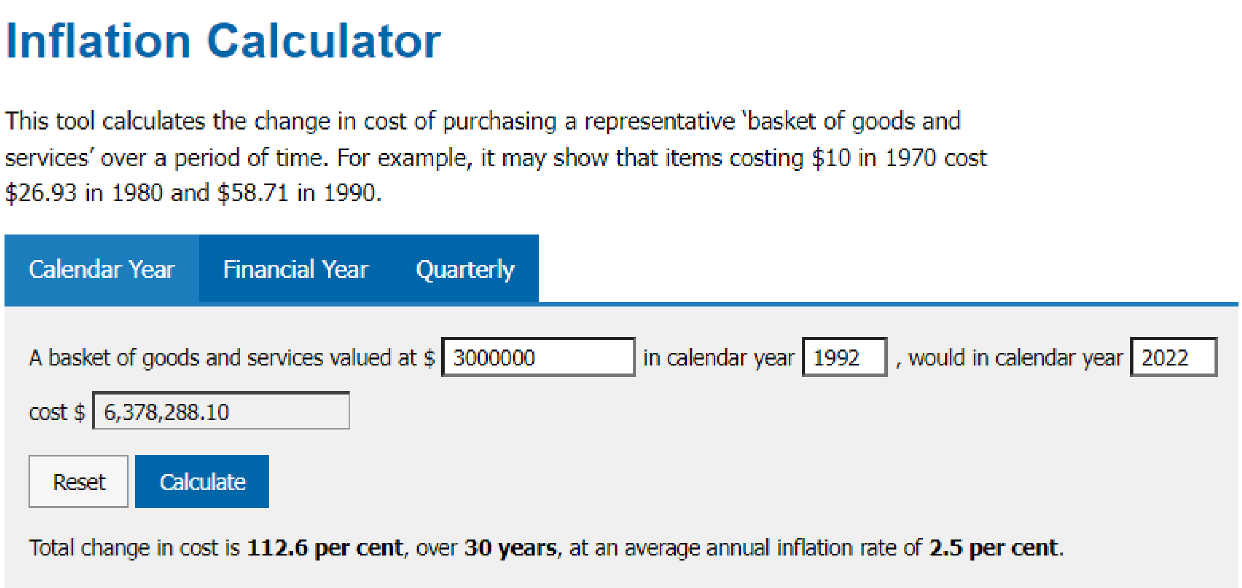


https://www.corelogic.com.au/__data/assets/pdf_file/0015/12237/220829_CoreLogic_Pulse_30years_Finalv2.pdf

With the ASX All Ordinaries Index calculator https://www.noelwhittaker.com.au/resources/calculators/stock-market-calculator/ over 30 years a $200,000 balance in 1992 would be worth more than the $3Million valuation that this bill proposes to start to be implemented



Even using the inflation calculator that uses a very low and very questionable rate of 2.5% inflation on RBA website: https://www.rba.gov.au/calculator/annualDecimal.html putting in $3,000,000 from 1992 to 2022 would be $6,378,288.10



If a Bill is brought forward to have an additional tax on a higher Superannuation balance then I believe it should be tied to some form of investment index not given a hard value. Possibly an index that is a combination of capital city median house prices & All ordinaries.

The second part is the part that really worries me is taxing unrealised gains.

Taxing an unrealised gain I see as having quite a lot of issues.
There are many articles written concerning this written by a lot smarter people than myself so I won't go into it myself. But this article sums up my thoughts:
https://www.firstlinks.com.au/10-revelations-new-3m-dollar-super-tax

Now I understand that the Government wants to impose some form of tax on large accounts.

If there is some form of unrealised gains tax, then there must be some form of credit for unrealised losses.

Markets fluctuate dramatically, and it is not a fair thing to tax a person for investing in an asset that might be worth 10x more in one year then the next be worth substantially less.

This could destroy a persons entire superannuation, by having to sell their portfolio after the value of the asset has already dropped and possibly taken their portfolio to below the $3Million valuation.

As much as I am against taxing superannuation, I can see why the governments wants to tax large Superannuation balances. I strongly am opposing taxing unrealised balances, if they must impose a tax, have the tax on actual transactions with realised gains on balances that are above some high figure that is then tied to some form of index of real vaulations

Thank you,

Alexander Bender