



16 October 2023

The Treasury
Langton Crescent
PARKES
ACT 2600

Email: superannuation@treasury.gov.au

Dear Director,

RE: Treasury Laws Amendment (Better Targeted Superannuation Concessions) Bill 2023

The Society of St Vincent de Paul ('the Society') is a lay Catholic charitable organisation that comprises over 45,000 volunteers and members and 6,000 employees who provide on the ground assistance across Australia. Our members and volunteers provide over \$50 million each year in emergency relief assistance to help people cover their basic needs. The Society also provides affordable housing options and delivers a range of social support services. Our Mission is to shape a more just and compassionate society.

The St Vincent de Paul Society National Council of Australia is the superior council of the Society in Australia. National Council supports the Treasury Laws Amendment (Better Targeted Superannuation Concessions) Bill 2023 because it is a start to addressing the inequity that presently exists and is growing within Australia. However, more reform is needed if we are to make real change to the lives of around 3.3 million people, including 761,000 children, living in poverty.

Our support for this Bill aligns with our previous [submission to The Treasury \(29 March 2023\)](#), supporting calls to legislate the objective of Australia's superannuation system. In that submission, we outlined how superannuation had deviated from its original purpose, namely of providing reasonable financial security to Australians in their retirement years by encouraging investment to substitute or supplement the Age Pension. Instead, those who can afford it have capitalised on generous concessions to minimise taxation and generate wealth. Tax breaks for superannuation are estimated to cost the Federal Budget \$52.5 billion in 2022-23, almost equal to the \$55.3 billion spent on the Age Pension.

We are also concerned about growing wealth inequality in Australia. The Productivity Commission has found that wealth distribution has increased and been greatest for the top income decile and this is largely attributed to housing and superannuation. Other research shows that the wealthiest 20 per cent (average household wealth \$3,240,000) have six times the wealth of the middle 20 per cent, and 90 times that of the lowest 20 per cent. This disproportionate growth in wealth has seen others left behind, particularly women (due to the gender pay gap and engagement in casual/part-time work), people with disability who might not be able to fully engage in the workforce over the life course and, more recently, young people.

Research commissioned by the Society and undertaken the Australian National University shows even modest reforms to Australia's tax, welfare, and superannuation systems, could significantly reduce poverty. The three options (low, medium, and high) outlined in [A Fairer Tax and Welfare System for Australia](#) and Commonwealth Rent Assistance [A Fairer Tax and Welfare System for Australia](#),

costing between \$4 billion and \$20 billion annually, would increase working age payments and Commonwealth Rent Assistance. They require high wealth, high income households to pay a little more in tax each year (around \$3,000). These budget-neutral reforms could lift 834,000 people out of poverty and increase superannuation balances for lower and middle-income individuals, reducing the after-housing poverty rate from 11.7 per cent of households to 8.6 per cent.

This Bill is a promising first step in the right direction in terms of creating fairer Australia.

Yours sincerely



Toby oConnor
Chief Executive Officer