



MEDIA RELEASE – James Harker-Mortlock – Independent for Hume – Tuesday 2nd April 2013

SUPERANNUATION – NEED FOR CERTAINTY

I refer to recent speculation that the Federal Government may be contemplating changes to the current arrangements in regard to superannuation by reducing the tax concessions available to some of those investing in superannuation. There is talk of targeting ‘wealthy’ Australians. I hope that farmers and those owning their own business – many of whom operate self-managed superannuation funds - are not to be regarded as ‘wealthy’. This has been too often the case in the past. There is talk of ‘retrospectivity’. I believe retrospective legislation is an affront to any society claiming to adhere to the rule of law and due process. Changing the rules after the event is unfair.

Whilst the Liberal Party leader, Tony Abbott, has stated that he would make ‘no adverse unexpected changes’ to superannuation, he has indicated already that he would reintroduce the 15 per cent tax on superannuation for the 3.6 million Australians earning less than \$37,000 per annum. This proposed reversal of an ALP initiative (the Low Income Superannuation Contribution) could impact badly upon some residents of Hume. Recent Australian Bureau of Statistics figures show that just over half the population of Hume is regarded in statistical terms as being economically disadvantaged.

Both sides of politics need to be careful that their proposed changes do not backfire at one end by putting more people onto the aged pension and at the other end by diverting funds into tax minimisation arrangements such as negative gearing on property. The impacts of these proposed changes could very well result in higher costs to government rather than creating savings for government.

Australia’s superannuation legislation and its associated arrangements consist of thousands of pages of little understood and complex regulation which too often has been looked upon as a play thing of governments of all persuasions. Worryingly, governments appear to be seeing superannuation as a potential source of revenue, rather than as private savings.

What Australia’s superannuation system needs desperately is certainty. There has been far too much ‘tinkering’ over the years by successive governments. Older Australians should not be confronted with sudden and unpredictable changes to a system which the government wishes them to use to become self-reliant. Younger Australians should be able to plan confidently for their futures.

Too often governments lead people down pathways, as they have done with superannuation, only to change the rules. Too often governments forget about the costs, particularly for small business and the self-employed, of constant changes to legislation. If there are to be changes to superannuation arrangements, they should be planned well in advance following full discussion and the reaching of a consensus on what the changes should be.

For further information, please contact : James Harker-Mortlock - Independent Candidate for Hume

Mobile : 04 111 82649 Email : james@puttinghumefirst.com Website : <http://www.puttinghumefirst.com>