



Ensuring your super works for you

Superannuation organisations are concerned that the Tax Expenditures Statement overstates the tax concessions for super.

The Statement attempts to measure the value of tax concessions received by taxpayers, or the revenue forgone by government. Its publication increases the transparency and scrutiny of tax exemptions.

The 2014 Statement provides that the cost of the tax concession for employer superannuation contributions is \$16.3 billion, and for superannuation entity earnings is \$13.4 billion.

If taxpayer behaviour and the effects of other government programs are taken into account, the estimates become \$15.6 billion and \$11.8 billion. This reflects taxpayers attempting to use their money in other tax effective ways.

Mercer Consulting and the SMSF Owners' Alliance will appear today at a public hearing into the Statement.

Some of the issues raised about how the Statement treats superannuation are:

- it does not consider the long run savings from reduced use of the means-tested pension
- many commentators incorrectly add together the superannuation figures in the Statement, which overstates their combined cost
- the Statement uses an income tax benchmark, which gives a much higher tax expenditure than an expenditure tax benchmark (used in some other countries).

Committee Chair, Bert van Manen MP, said that the Statement's treatment of superannuation was an important issue in the inquiry.

"Many Australians have a major investment in superannuation. We need to make sure that we have the right information so that we can have the best policies for people to get the most out of their retirement," he said.

Public hearing

Date: Wednesday, 21 October 2015

Time: 4.10 – 4.40 pm Mercer Consulting
4.40 – 5.10 pm SMSF Owners' Alliance

Location: Committee Room 1R5, Parliament House, Canberra

For media comment: please contact Jessica Reid on 0437 731 858.

For information about the inquiry: please contact the committee secretariat by telephone (02) 6277 4821, e-mail taxrev.reps@aph.gov.au, or visit the committee website <http://www.aph.gov.au/taxrev>.