

Has the Government totally lost the plot?

11 August 2016

Reports that the Turnbull Government is contemplating an exemption to superannuation contributions from lottery wins are farcical and, if true, deeply unfair.

Why should the lucky winner of a lottery get a break over hard working Australians who are doing their best to support themselves in retirement and avoid being a burden on the taxpayer?

Giving an exemption to lottery winners is the most absurd twist yet to a policy that is riddled with unfairness and unintended consequences.

If an exemption to the contribution limit is given to lottery winners, why not to punters who have a big win at the races or the casino?

If you are fortunate to win the lottery and pay no tax on your winnings then good luck to you. But it would be totally unfair for you to then be able to make a larger contribution to your super than everyone else.

If the new, back-dated limit of \$500,000 on non-concessional contributions, which we oppose, is to remain in place, then it should apply to everyone.

There may be a case (although we are yet to be convinced) for people who have seen their superannuation reduced because of a divorce settlement to be able to make up the difference but there is no justification for lucky lottery winners to get another free kick. We are more concerned for the many who have made retirement plans based on an injection of funds into super from downsizing their homes or from selling other assets but now find their retirement savings plans stymied by a retrospective limit on contributions.

If the Cabinet spends more than two minutes on this loopy idea, we should all be very worried.

The Cabinet should instead spend time reviewing the premise of the tax changes which were announced in the Budget and then taken to the election as policy without consulting the Coalition party room. As we and others predicted, the policy proved deeply unpopular and damaged the Coalition. Even now, more than a month after the election, the controversial superannuation changes have still not yet been debated in the Coalition party room. The Government has an expenditure problem not a revenue problem but if tax changes are to be made they should be made to the general tax system (income and GST) and not just so as to retrospectively effect those who have attempted to be self sufficient in retirement.

Instead of pursuing a dud policy, the Cabinet should renew the consultation process it halted abruptly by abandoning the Tax White Paper before even as much as an options paper had been produced and re-engage with the superannuation constituency.

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