

Need for a more balanced view of superannuation tax concessions.

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A Parliamentary Committee has recommended that Treasury undertake an analysis of the costs and benefits of superannuation tax concessions.

This will give a more balanced picture of the economic benefits of super tax breaks.

The House of Representatives Tax and Revenue Committee today delivered its report on how the annual Tax Expenditures Statement (TES) should be calculated and presented.

The Committee noted that superannuation will have significant long-term benefits but these are not taken into account by Treasury in the TES which looks only at the present costs of tax concessions.

The Committee says:

"The Committee believes that the Statement (TES), in its current form, produces figures on the current costs of superannuation tax concessions without any reflection or analysis about future benefits either to the Government or to retirees. If one of the purposes of the Statement is to inform debate, then the Committee believes that it is paramount that the Statement and related policy analysis should do so in a balanced way."

The Committee recommended that Treasury develop present value estimates of the costs and benefits of superannuation tax concessions and publish the results.

SMSF Owners welcomes this recommendation as it should lead to a more objective policy debate over the economic value of superannuation. This debate is often distorted by media reports and policy papers focussing on the apparent cost of superannuation tax concessions.

It is to be hoped the Committee's report will put an end to alarming headlines proclaiming the \$32 billion (and more) cost of superannuation tax concessions, implying that this revenue could be saved if superannuation tax concessions are removed.

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