

JUDITH SLOAN

## Federal election 2016: rethink super thought bubbles

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Parliamentary secretary to the Treasurer — now confusingly called Assistant Minister — Alex Hawke says superannuation is just a niche thing.

What he is really saying is that all those disgruntled people who have always voted for the Coalition can simply suck it up. You are only 1 per cent or 4 per cent or 10 per cent and even more if you count those who have had their financial plans for retirement destroyed. But you don't matter.

Yet let us follow the Turnbull rule to its logical end: if you want less of something, you tax it more.

So here is a group of people who have worked hard, followed the rules and saved while foregoing consumption in order to retire in a degree of comfort and without government support.

So what Malcolm Turnbull is saying is that we will tax this group more heavily and so there will be fewer of them in the future.

This is economic madness. We want more of these people, not fewer. These are the people who set up businesses, employ workers, take risks, invest and, perhaps most importantly, pay the lion's share of income tax revenue when they are working.

Deputy Liberal leader Julie Bishop's gotcha moment this week is up there with Bill Shorten's declaration of his uninformed agreement with prime minister Julia Gillard. Bishop doesn't understand the changes to the transition-to-retirement provisions, but she approved them and supports them. It doesn't give voters a lot of confidence.

Here is what the government must do to avert the superannuation catastrophe that could potentially lead to its downfall.

- The details of all the changes should be subject to genuine consultation, not just the pretend stuff the government is promising;
- Give up on using Treasury as a source of advice on these matters — it is unreliable and ideologically driven;
- The figure of \$1.6 million should be lifted — it is too low to guarantee the lifetime indexed income Scott Morrison is talking about;

- Forget about the retrospective cap on non-concessional contributions — it is unnecessary given the above;
- Forget about reducing the concessional cap — we want more people to get off the Age Pension;
- Grandfather the TTR provisions — those who have entered into these arrangements in good faith should be able to see them through.

Changes to superannuation announced in the budget are just a bunch of ill-considered, over-engineered thought bubbles.

It was absolute political madness to announce them going into an election. The government will stick with them at its peril.

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